

ADMINISTRATION

Budget Summary							
Fund	2014-15 Base Year Doubled	2015-17 Governor	2015-17 Jt. Finance	2015-17 Legislature	2015-17 Act 55	Act 55 Change Over Base Year Doubled	
						Amount	Percent
GPR	\$829,408,600	\$1,230,592,200	\$1,205,534,300	\$1,205,534,300	\$1,205,534,300	\$376,125,700	45.3%
FED	287,571,000	281,747,500	281,489,100	281,489,100	281,489,100	- 6,081,900	- 2.1
PR	645,924,000	869,899,100	683,616,500	683,616,500	683,616,500	37,692,500	5.8
SEG	<u>107,487,200</u>	<u>117,502,300</u>	<u>114,450,600</u>	<u>114,450,600</u>	<u>114,450,600</u>	<u>6,963,400</u>	6.5
TOTAL	\$1,870,390,800	\$2,499,741,100	\$2,285,090,500	\$2,285,090,500	\$2,285,090,500	\$414,699,700	22.2%

FTE Position Summary						
Fund	2014-15 Base	2016-17 Governor	2016-17 Jt. Finance	2016-17 Legislature	2016-17 Act 55	Act 55 Change Over 2014-15 Base
GPR	95.84	63.29	63.92	63.92	63.92	- 31.92
FED	78.18	60.75	60.75	60.75	60.75	- 17.43
PR	816.41	955.29	881.96	881.96	881.96	65.55
SEG	<u>13.60</u>	<u>14.75</u>	<u>15.75</u>	<u>15.75</u>	<u>15.75</u>	<u>2.15</u>
TOTAL	1,004.03	1,094.08	1,022.38	1,022.38	1,022.38	18.35

Budget Change Items

General Agency Provisions

1. STANDARD BUDGET ADJUSTMENTS

Governor/Legislature: Provide standard budget adjustments to the base totaling -\$299,400 GPR, \$106,400 FED, \$2,417,500 PR, and -\$107,300 SEG in 2015-16 and -\$283,300 GPR, \$110,500 FED, \$2,561,800 PR, -\$105,200 SEG in 2016-17. Adjustments are for: (a) turnover reduction (-\$124,000 GPR and -\$1,140,800 PR annually); (b) removal of non-continuing elements from the base (-\$21,000 GPR, -\$1,000 FED, and -\$21,000 PR annually); (c) full funding of continuing position salaries and fringe benefits (-\$22,800 GPR, \$124,800 FED, \$2,301,200 PR,

GPR	- \$582,700
FED	216,900
PR	4,979,300
SEG	<u>- 212,500</u>
Total	\$4,401,000

and -\$128,600 SEG annually); (d) reclassifications and semiautomatic pay progression (\$2,000 GPR, \$4,500 FED, \$64,600 PR, and \$6,500 SEG annually); (e) overtime (\$525,900 PR annually); (f) night and weekend differential pay (\$27,300 PR annually); and (g) full funding of lease and directed moves costs (-\$133,600 GPR, -\$21,900 FED, \$660,300 PR, and \$14,800 SEG in 2015-16 and -\$117,500 GPR, -\$17,800 FED, \$804,600 PR, and \$16,900 SEG in 2016-17).

2. LAPSE REQUIREMENT

Governor/Legislature: Specify that the 2013 Act 145 requirement that the agency lapse \$13,430,900 to the general fund from the unencumbered balances of GPR and PR appropriations in 2015-16 would also apply to 2016-17. [See "Budget Management and Compensation Reserves."]

[Act 55 Section: 4749]

3. ELIMINATE LONG-TERM VACANCIES AND GPR FUNDING [LFB Paper 100]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	-\$382,200	- 2.60	\$0	0.00	-\$382,200	- 2.60
FED	0	- 2.00	- 258,400	0.00	- 258,400	- 2.00
PR	0	- 41.85	- 5,865,000	0.00	- 5,865,000	- 41.85
SEG	0	- 1.20	- 164,800	0.00	- 164,800	- 1.20
Total	-\$382,200	- 47.65	-\$6,288,200	0.00	-\$6,670,400	- 47.65

Governor: Delete 2.6 GPR positions, 2.0 FED positions, 41.85 PR positions, and 1.2 SEG positions annually to eliminate vacant positions that have been vacant for 12 months or more. In addition, reduce funding by \$191,100 GPR annually associated with the 2.6 GPR positions identified for elimination under the provision. Funding for the FED, PR, and SEG positions would not be reduced. Position and funding adjustments would be made to the following DOA appropriations: (a) supervision and management general program operations (-2.6 GPR positions and -\$191,100 GPR annually); (b) services to non-state governmental units (-1.0 PR position annually); (c) information technology and communications services to non-state entities (-0.9 PR position annually); (d) materials and services to state agencies and certain districts (-2.45 PR positions annually); (e) transportation, records, and document services (-1.5 PR positions annually); (f) capital planning and building construction services (-15.0 PR positions annually); (g) procurement services (-2.0 PR positions annually); (h) justice information systems (-1.0 PR positions annually); (i) financial services (-0.2 PR positions annually); (j) printing, mail, communication, and information technology services to state agencies (renamed to include veterans services under a separate provision in the bill which consolidates two appropriations, -12.2 PR positions annually); (k) federal aid (-1.0 FED position annually); (l) environmental improvement programs general program operations (-1.2 SEG positions annually); (m) risk management administration (-0.05 PR position annually); (n) hearing and appeals fees (-0.8 PR position annually); (o) facility operations and maintenance and

police and protection functions (-3.75 PR positions annually); (p) housing and community development federal aid for state operations (-1.0 FED position annually); and (q) Indian gaming general program operations (-1.0 PR position annually).

Joint Finance/Legislature: Reduce funding associated with eliminated positions annually as follows: (a) \$129,200 FED; (b) \$2,932,500 PR; and (c) \$82,400 SEG.

4. APPROPRIATION OBLIGATION BONDS DEBT SERVICE REESTIMATE -- PENSION BONDS

GPR	\$383,064,900
GPR-Lapse	<u>370,763,900</u>
Net GPR	\$12,301,000

Governor/Legislature: Provide \$383,064,900 GPR in 2016-17 to reflect the required debt service appropriation level associated with the appropriation obligation bonds issued to pay the state's Wisconsin Retirement System unfunded prior service liability as well as the accumulated sick leave conversion credit program liability. Under the legal agreements governing the appropriation bonds, the annual debt service appropriation for repayment of the bonds must equal the maximum possible payment that could be made in each succeeding year. Because there are large principal payments currently scheduled in 2017-18 and variable rate debt must be appropriated assuming the maximum allowable interest rate, the GPR appropriation in 2016-17 would be increased, although most moneys would not be expended in 2016-17 and would lapse (revert) to the general fund. Compared to estimated lapses associated with these bonds of \$144,821,900 in 2014-15, increase projected lapses in 2016-17 by \$370,763,900, to a total lapse of \$516,648,688 in that year.

5. APPROPRIATION OBLIGATION BOND DEBT SERVICE -- TOBACCO BONDS

GPR	- \$5,838,500
-----	---------------

Governor/Legislature: Reduce funding by -\$5,838,500 in 2016-17 to reflect the required debt service appropriation level associated with the appropriation obligation bonds issued in 2009 to refinance the outstanding bonds of the Badger Tobacco Asset Securitization Corporation, under which the state regained the rights to its tobacco settlement payments. Under the legal agreements governing the appropriation bonds, the annual debt service appropriation for repayment of the bonds must equal the maximum possible payment that could be made in each succeeding year. Because there are smaller principal payments scheduled in 2016-17 and 2017-18 compared to base level funding, the GPR appropriation in 2016-17 would be decreased.

6. APPROPRIATION OBLIGATION BONDS DEBT SERVICE REESTIMATE -- SPORTS AND ENTERTAINMENT DISTRICT BONDS

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$25,234,500	- \$25,234,500	\$0
GPR-Lapse	<u>22,434,500</u>	<u>- 22,434,500</u>	<u>0</u>
Net GPR	\$2,800,000	- \$2,800,000	\$0

Governor: Provide \$25,234,500 GPR in 2016-17 to establish an appropriation level to fund principal and interest payments on the appropriation bonds. Estimate GPR-lapse amounts of \$22,434,500 in 2016-17 from the annual debt service appropriation to reflect an estimate of the initial 2016-17 debt service payment amount of \$2,800,000 GPR that would actually be made (See "Sports and Entertainment District" section for provisions related to the creation of the District and state-issued appropriation obligations).

While the bonding transaction for the proposed Sports and Entertainment District arena facility has not been structured yet, DOA indicates that it would likely include components similar to existing appropriation obligation bond issues and the funding in the bill reflects those components. As a result, a portion of the GPR-Lapse amount is associated with the legal agreements that govern the appropriation bonds, which could require that the annual debt service appropriation for repayment of the bonds equal the maximum possible payment that could be made in each succeeding year. Because there could be large principal payments scheduled in 2017-18, the GPR appropriation in 2016-17 would be set at a higher level than debt service in that year, and much of the appropriated funds would not actually be expended in 2016-17 and would lapse (revert) to the general fund.

Joint Finance/Legislature: Delete provision. [See "Sports and Entertainment District."]

7. DEBT SERVICE REESTIMATE [LFB Paper 175]

GPR	- \$1,569,400
PR	<u>4,002,900</u>
Total	\$2,433,500

Governor/Legislature: Reestimate funding by -\$600,400 GPR and \$563,000 PR in 2015-16 and -\$969,000 GPR and \$3,439,900 PR in 2016-17 to reflect the current law reestimate of debt service costs on state general obligation bonds and commercial paper debt issued for the following programs: (a) general fund supported principal and interest for educational technology infrastructure in schools (-\$577,400 GPR in 2015-16 and -\$949,900 GPR in 2016-17); (b) general fund supported principal and interest for educational technology infrastructure for public library boards (-\$200 GPR in 2015-16 and -\$11,700 GPR in 2016-17); (c) general fund supported principal and interest for the Black Point Estate in Lake Geneva (-\$22,800 GPR in 2015-16 and -\$7,400 GPR in 2016-17); (d) program revenue supported principal and interest for educational technology infrastructure for schools (-\$178,500 PR annually); (e) principal repayment and interest for parking in Madison (-\$900,400 PR in 2015-16 and -\$880,700 in 2016-17); and (f) principal repayment and interest for buildings used to house state agencies (\$1,641,900 PR in 2015-16 and \$4,499,100 PR in 2016-17).

8. UW SYSTEM AUTHORITY PR DEBT SERVICE APPROPRIATION UNDER DOA [LFB Paper 675]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
PR	\$148,127,300	- \$148,127,300	\$0

Governor: Create an appropriation under DOA with \$148,127,300 in 2016-17 for moneys received from the proposed UW System Authority in payment of principal and interest costs incurred in financing self-amortizing UW facilities and under agreements or ancillary agreements entered into by the UW System or UW System Authority and the Building Commission. Specify that if the amounts in this appropriation are insufficient to pay the full amount of the UW System Authority's PR debt service, then that debt service would be paid with moneys from the UW System Authority's GPR debt service appropriation. Delete a PR appropriation under the UW System for the same purpose. The amount provided in the appropriation reflects a reestimate of UW System PR debt service costs by DOA.

Joint Finance/Legislature: Delete provision.

9. RISK MANAGEMENT COSTS REESTIMATE

PR	\$14,943,400
----	--------------

Governor/Legislature: Provide \$7,471,700 annually for risk management claims, associated with increased claims costs. Funding would be provided for property claims (\$6,079,100 annually) and liability claims (\$1,392,600 annually). Base funding for the appropriation is \$27,934,500 (\$3,968,200 for property claims, \$4,170,400 for liability claims, and \$19,795,900 for worker's compensation claims). No increase is provided for worker's compensation claims. The program is supported from revenue generated by assessments to state agencies.

10. EAU CLAIRE CONFLUENCE DEVELOPMENT PROJECT [LFB Paper 101]

Governor: Establish a grant program, funded at \$15.0 million GPR in 2016-17 and administered by DOA, which would award funds to a city in the state for an economic development district that includes a community arts center and a mixed-use development. Require the applicant city to submit to DOA a financial plan for the economic development district. Specify that the plan must include matching funds (cash, in-kind, or both) that equal 100 percent of the grant funding being requested. In addition, require that the applicant provide proof, to the satisfaction of DOA, of other financing for the economic development district. Specify that DOA may not award more than \$15.0 million in grants in total. The Budget in Brief indicates that, "The Governor intends to provide these funds to the Confluence Development Project in the city of Eau Claire to support development in the city's downtown, provided that the district meets the financial matching requirements." [See "Miscellaneous Appropriations."]

Joint Finance/Legislature: Delete provision. Instead, provide \$15.0 million in GPR-supported bonding and enumerate a Confluence Arts Center in Eau Claire under the 2015-17 state building program. In addition, provide \$1,075,700 GPR under the Building Commission in 2016-17 for debt service associated with the project. [See "Building Commission."]

[Act 55 Sections: 54n, 866b, 880kr, 880zh, and 9104(1)(km)&(11q)]

11. LAND INFORMATION EXPENDITURE AND POSITION AUTHORITY

	Funding	Positions
FED	- \$70,000	- 0.35
PR	- 338,400	- 2.00
SEG	<u>10,227,600</u>	<u>2.35</u>
Total	\$9,819,200	0.00

Governor/Legislature: Provide funding and position adjustments of -\$35,000 FED, -\$169,200 PR, \$5,113,900 SEG, -0.35 FED position, and -2.0 PR positions in 2015-16 and -\$35,000 FED, -\$169,200 PR, \$5,113,700 SEG, -0.35 FED position, and -2.0 PR positions in 2016-17 to provide increased expenditure and position authority to the land information program. Funding and position adjustments would be provided to the following appropriations of DOA: (a) plat and proposed incorporation and annexation review (-\$93,600 PR salaries and fringe and -1.0 PR position annually); (b) printing, mail, communication, and information technology services to state agencies and veterans services, an appropriation renamed under the bill to include veterans services to consolidate two information technology appropriations (-\$75,600 PR salaries and fringe and -1.0 PR position annually); (c) federal aid (-\$35,000 FED salaries and fringe and -0.35 FED position annually); and (d) land information (\$228,200 SEG salaries and fringe, \$4,573,500 SEG local assistance, and 2.35 SEG positions annually and \$312,200 SEG supplies and services in 2015-16 and \$312,000 SEG supplies and services in 2016-17).

According to DOA, expenditure authority provided to the land information program would reflect increased revenue to the land information fund due to a 2013-15 budget provision that reallocated real estate document recording fee moneys submitted to DOA by each county Register of Deeds, and which is effective January 1, 2015. The administration indicates that funding would be used for increased land information grants to counties and further development of the statewide digital parcel map. Specific expenses for the parcel map would include: (a) aggregation of county and municipal parcel data into a statewide layer; (b) analysis of local data sets to make recommendations for improvement at a local level; (c) costs relating to geographic information system software; (d) data storage; (e) website development; and (f) any contractual services needed to perform other duties under the program, such as maintaining and distributing an inventory of land information, preparing guidelines to coordinate the modernization of land records and information systems.

The administration indicates that the position adjustments and associated changes in funding for salaries and fringe would more appropriately align position funding with the functions currently being performed by the positions. The land information program under DOA provides funding in the form of grants to counties for the modernization of local land records. Revenue for the program is generated from register of deeds real estate document recording fees. Base funding for the land information program is \$2,550,800 SEG annually from the segregated land information fund (\$69,900 salaries and fringe benefits, \$109,100 supplies and services, and \$2,371,800 local assistance).

12. ONE-TIME GPR AUTHORITY FOR HUD REPAYMENT

GPR	\$8,108,500
-----	-------------

Governor/Legislature: Provide \$8,108,500 in 2015-16 to DOA's housing and community development general program operations appropriation for repayment of community

development block grant (CDBG) funding to the U.S. Department of Housing and Urban Development (HUD). The federal agency determined that four projects previously awarded grants were ineligible activities and must be repaid. Funding associated with the CDBG awards totals \$16,210,900, of which the State of Wisconsin may pay \$7,602,400 by voluntarily reducing future CDBG awards from HUD. In addition, one project has repaid \$500,000 to DOA. The remaining \$8,108,500 must be repaid to HUD for the ineligible activities.

13. FACILITIES OPERATIONS AND MAINTENANCE FUEL AND UTILITIES REESTIMATE

PR	\$2,865,700
----	-------------

Governor/Legislature: Provide \$1,388,900 in 2015-16 and \$1,476,800 in 2016-17 for estimated increases in fuel and utilities costs for DOA's facility operations and maintenance appropriation (\$1,381,100 in 2015-16 and \$1,468,000 in 2016-17) and parking appropriation (\$7,800 in 2015-16 and \$8,800 in 2016-17). The reestimated expenses are based on a five-year average of actual expenditures from 2009-10 to 2013-14 and projected rates of growth in consumer energy prices for gasoline, fuel oil and coal, electricity, and natural gas.

14. POSTAGE APPROPRIATION CREATION AND FUNDING

PR	\$1,424,000
----	-------------

Governor/Legislature: Create a continuing PR appropriation and provide \$16,137,900 in 2015-16 and \$16,536,900 in 2016-17 for the payment of agency postage costs separate from costs to provide information technology services to state agencies. Delete \$15,625,400 annually associated with postage costs from DOA's annual PR appropriation for printing, mail, communication, and information technology services to state agencies. The net increase for postage is \$512,500 in 2015-16 and \$911,500 in 2016-17.

[Act 55 Section: 789]

15. CONSOLIDATE THE DIVISIONS OF HOUSING AND ENERGY SERVICES

	Funding	Positions
GPR	- \$45,400	- 0.35
FED	<u>- 1,096,200</u>	<u>- 7.65</u>
Total	- \$1,141,600	- 8.00

Governor/Legislature: Consolidate DOA's Division of Housing and Division of Energy Services. Delete 1.0 unclassified position and 7.0 classified positions and associated funding of \$22,700 GPR and \$548,100 FED annually. Funding and position authority would be reduced for the following appropriations under DOA: (a) federal aid (\$247,700 FED, 1.0 unclassified FED position, and 2.0 classified FED positions annually from the Division of Energy Services); (b) housing and community development general program operations (\$22,700 GPR and 0.35 classified GPR position annually from the Division of Housing); and (c) housing and community development federal aid for state operations (\$300,400 FED and 4.65 classified FED positions annually from the Division of Housing). According to the Executive Budget Book, the divisions would be combined "to realize efficiencies in budget, policy, management and administrative support."

16. ELIMINATE OIL OVERCHARGE REFERENCES, FUNDING, AND POSITIONS

	Funding	Positions
FED	- \$578,800	- 1.00

Governor/Legislature: Eliminate statutory language relating to the expenditure of oil overcharge restitution funds. Delete DOA's oil overcharge restitution funds appropriation and associated funding and position authority of \$261,900 and 0.3 position annually. In addition, delete \$27,500 and 0.7 position annually associated with oil overcharge restitution funds from DOA's federal aid appropriation. The Department projects the oil overcharge funding, also known as petroleum violation escrow funding, to be fully expended by June 30, 2015.

Oil overcharge funds derived from a variety of federal court settlements involving the validity of applying certain price controls on crude oil during the period from early 1974 until early 1981. During this period, the affected oil producers were required to deposit to an escrow fund the difference between the uncontrolled crude oil price at the time and the controlled price, pending a determination of the validity of the federal pricing regulations. The regulations were ultimately upheld and states began to receive oil overcharge distributions in late 1983.

[Act 55 Sections: 87 and 793]

17. CREATE OFFICE OF LEAN GOVERNMENT AND ELIMINATE PROGRAM FOR LOCAL GOVERNMENTAL EFFICIENCY ASSISTANCE [LFB Paper 102]

	Funding	Positions
GPR	- \$638,800	- 1.00
PR	<u>238,800</u>	<u>1.00</u>
Total	- \$400,000	0.00

Governor: Provide position and funding adjustments of -\$119,400 GPR, \$119,400 PR, -1.0 GPR position, and 1.0 PR position annually to reallocate 2.0 PR positions and associated funding and convert 1.0 GPR position and associated funding to PR to create an Office of Lean Government attached administratively to DOA. Specify that the Office must be under the direction and supervision of a director employed within the classified service. Require the Office to establish and administer programs for state agencies "to increase the value of goods and services that state agencies provide with the fewest possible resources." Funding and position adjustments would be made to the following appropriations of DOA: (a) supervision and management general program operations (-\$119,400 GPR and -1.0 GPR position annually); (b) materials and services to state agencies and certain districts (\$348,300 PR and 3.0 PR positions annually); and (c) printing, mail, communication, and information technology services to state agencies and veterans services (-\$228,900 PR and -2.0 PR positions annually), an appropriation which is renamed under the bill to consolidate two information technology services appropriations.

The Office of Lean Government would be staffed with 3.0 classified PR positions and an annual budget divided as follows: (a) salaries, \$179,600; (b) fringe benefits, \$68,700; and (c) supplies and services, \$100,000. Funding for the office would come from charges to state agencies for training and technical assistance in efficiency and continuous improvement practices. Training charges would be based upon an established fee for agency personnel participation in workshops, and technical assistance would be assessed at an hourly rate established specifically for assistance provided by the Office. According to DOA, the Office

would also conduct research and analysis and develop policy and program proposals related to efficiency and continuous improvement practices in state government.

Repeal statutory language establishing a program that reimburses businesses for assisting local governmental units in establishing efficiency programs. Delete DOA's appropriation for reimbursement of such businesses and associated funding of \$200,000 GPR annually.

Joint Finance/Legislature: Modify the provision to delete the creation of an Office of Lean Government under statute. As a result, positions and funding would be provided for the proposal, but statutory provisions would be removed.

[Act 55 Section: 251 and 775]

18. APPROPRIATION FOR UNIVERSITY OF WISCONSIN-GREEN BAY PROGRAMMING [LFB Paper 679]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
PR	- \$247,500	\$247,500	\$0

Governor: Eliminate statutory provisions and an appropriation in DOA in 2016-17 for University of Wisconsin-Green Bay programming. Delete \$247,500 in 2016-17 under the creation of the University of Wisconsin System Authority. [See "University of Wisconsin System Authority."] Funding for this appropriation is from tribal gaming receipts.

Joint Finance/Legislature: Delete provision.

19. ELIMINATE GENERAL REQUIREMENTS FOR COST-BENEFIT ANALYSIS

Governor: Eliminate the general requirement for state agencies to conduct a uniform cost-benefit analysis of each proposed contractual service procurement involving an estimated expenditure of more than \$50,000 in accordance with standards prescribed in rules promulgated by DOA. Eliminate the general requirement for state agencies to review periodically, and before any renewal, the continued appropriateness of contracting under each contractual services agreement involving an estimated expenditure of more than \$50,000. In addition, eliminate the requirement that DOA promulgate rules relating to conducting uniform cost-benefit analyses and continued appropriateness reviews for contractual services procurements involving an estimated expenditure of more than \$50,000. Eliminate the requirement that DOA include a summary of the cost-benefit analyses completed by agencies in its annual report regarding the number, value, and nature of contractual services procured for each agency, which is submitted to the Governor, Joint Committee on Finance, Joint Legislative Audit Committee, and the Chief Clerk of each house of the Legislature. [Note that the contractual services report would not be eliminated.] According to the Executive Budget Book, the requirements would be eliminated because "analyses are based on estimated costs and are largely speculative."

Under current law, a uniform cost-benefit analysis is defined as "a comprehensive study to identify and compare the total cost, quality, technical expertise, and timeliness of a service performed by state employees and resources with the total cost, quality, technical expertise, and timeliness of the same service obtained by means of a contract for contractual services." Under general requirements for state agencies with regard to contractual services exceeding \$50,000 in expenditures, the following services are excluded from cost-benefit analysis and continued appropriateness review requirements: (a) services that federal or state law requires to be performed by contract; (b) services that must be provided under a contract, license, or warranty by the original equipment manufacturer or publisher; (c) services that cannot be performed by state employees because the state lacks the required infrastructure; and (d) web-based software application services that are delivered and managed remotely. In addition, the Department of Transportation is granted an exception to the requirements under statute with regard to engineering, consulting, surveying, or other specialized services that involve an expenditure of \$300,000 or less. Under the bill, no change would be made to the requirement that a uniform cost-benefit analysis and continued appropriateness review be conducted for Department of Transportation specialized services involving an expenditure of more than \$300,000.

Joint Finance/Legislature: Delete provision as a non-fiscal policy item.

20. CONTRACTUAL SERVICES DEFINITION

Governor: Modify the definition of contractual services to specify that contractual services does not include information technology products or services delivered from a central hosting location on a subscription basis. According to the Executive Budget Book, the recommendation to exclude information technology products and services is provided because "most products and services are delivered using a subscription and central hosting delivery model and not as tangible products."

Joint Finance/Legislature: Delete provision as a non-fiscal policy item.

21. MODIFY PRISON INDUSTRIES PROCUREMENT PRICING RULE [LFB Paper 103]

Governor/Legislature: Require DOA and any other designated state purchasing agent, prior to seeking bids or competitive sealed proposals with respect to the purchase of any materials, supplies, equipment, or contractual services enumerated in a list of Prison Industries products and supplies available for purchase (provided by the Department of Corrections), to offer Prison Industries the opportunity to supply the products or services if the Department of Corrections is able to provide them at a price that is comparable to one which may be obtained through competitive bidding or competitive sealed proposals and is able to conform to the specifications. Specify that DOA and any other designated state purchasing agents may solicit bids or competitive proposals before awarding an order or contract if DOA or another purchasing agent is unable to determine whether the price of Prison Industries is comparable to one that would be obtained through competitive bidding or competitive sealed proposals.

Under current law, DOA and other designated purchasing agents must offer Prison Industries the opportunity to supply products or services if the price charged by Prison Industries is equal to or lower than a price which may be obtained through competitive bidding or competitive sealed proposals and is able to conform to the specifications. The Department of Corrections Prison Industries program provides vocational training and work skills development to participating inmates through production of items such as office furniture, seating, signage, and metal stamping of license plates.

[Act 55 Section: 342]

22. ELIMINATE FEDERAL SURPLUS PROPERTY PROGRAM [LFB Paper 104]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
PR	\$0	0.00	\$377,600	3.00	\$377,600	3.00

Governor: Eliminate statutory provisions relating to the federal surplus property program. Delete DOA's appropriations for federal resource acquisition (\$0 PR and 0.0 PR positions annually) and federal resource acquisition support grants (\$0 GPR and 0.0 GPR positions annually). The program, which acquires federal surplus property for public organizations in the state, has been administered by the Wisconsin Technical College System Foundation under contract with DOA since 1986-87. The Executive Budget Book indicates that the program has "struggled to be self-sustaining." The Department of Military Affairs would continue to operate the 1033 federal military property program, which transfers military property to state and local law enforcement agencies. In addition, the provision would not eliminate the state surplus property program established under statute.

Joint Finance/Legislature: Delete provision. Instead, create an annual PR appropriation for the federal surplus property program, funded from service fees charged to program customers. Specify that service charges must be set to fully recover the cost of transportation, packaging, crating, handling, and program overhead. In addition, provide to the appropriation \$377,600 and 3.0 positions in 2016-17 to administer the program.

[Act 55 Sections: 419b and 776m]

23. EXTEND DIESEL TRUCK IDLING REDUCTION GRANT PROGRAM [LFB Paper 105]

Governor/Legislature: Extend the sunset date for the diesel truck idling reduction grant program from June 30, 2015, to June 30, 2020, and for program administration to December 31, 2021. Base funding for the program is \$1,074,900 SEG and 1.0 SEG position annually, funded from the petroleum inspection fund. Currently, the grant program is operated by the State Energy Office within DOA's Division of Energy Services. Under the bill, the energy office would be

transferred to the Public Service Commission. However, the diesel truck idling reduction grant program and position would remain at DOA under the newly combined energy services and housing division. The program aims to improve fuel efficiency and lower air pollution by providing 50% matching grants to freight motor carriers headquartered in Wisconsin to purchase and install idling reduction units for long-haul truck tractors.

[Act 55 Sections: 394 thru 396, 794, and 795]

24. TRANSFER BUILDING PROGRAM REVENUE TO GENERAL FUND

GPR-REV	\$5,000,000
---------	-------------

Joint Finance/Legislature: Transfer \$5.0 million PR from DOA's capital planning and building construction services appropriation to the general fund in 2015-16.

[Act 55 Section: 9201(3q)]

25. ENERGY EFFICIENT BUILDING DESIGNER CERTIFICATION

Joint Finance/Legislature: Require DOA, upon request, to provide any necessary certification for a person to receive a tax deduction under 26 U.S.C. 179D if the person is the primary designer of an energy efficient commercial building property installed on or in state-owned property.

Veto by Governor [C-40]: Delete provision.

[Act 55 Vetoed Section: 393p]

26. STATE AGENCY LEASES OUTSIDE DANE AND MILWAUKEE COUNTIES

Joint Finance: Require DOA, before signing or renewing any executive branch agency lease for space that is located in Dane or Milwaukee Counties, to solicit lease options in counties other than Dane or Milwaukee. Require DOA to prepare a cost benefit analysis for each lease or renewal regarding whether savings to the state would accrue from locating the agency, department, division, bureau or office to a location outside of Dane or Milwaukee Counties. Specify that the cost benefit analysis be provided to the involved agency head and the Joint Committee on Finance.

Veto by Governor [C-47]: Delete provision.

[Act 55 Vetoed Sections: 356q and 356r]

27. APPRAISALS OF STATE-OWNED PROPERTY

PR	\$200,000
----	-----------

Joint Finance/Legislature: Provide \$100,000 annually to DOA's facility operations and maintenance, police and protection functions appropriation for appraisals of state-owned real property.

28. COLLEGE SAVINGS ADMINISTRATION AND CONTRIBUTIONS

	Funding	Positions
SEG	\$113,100	1.00

Joint Finance/Legislature: Provide \$48,500 in 2015-16 and \$64,600 in 2016-17 and 1.0 position annually to DOA's college savings program administrative expenses appropriation, funded from the college savings program trust fund. Specify a contribution limitation in statute based on the combined balance of a beneficiary's accounts, and set the limit at \$425,000, effective August 1, 2015. Require that, beginning in 2015, the account balance-based contribution limit be increased annually before December 31, based on the limit that is in effect on August 1, 2015. Specify that the annual increase must be equal to a percentage that is no less than the most recently published national average tuition and fees percentage increase at private nonprofit four-year institutions, as determined by the College Board, or such other nationally reputable entity, and is subject to the requirements under 26 U.S.C. 529 that pertain to the prohibition on excess contributions.

[Act 55 Sections: 316d, 316de, and 9337(5j)]

29. ELIMINATE CERTAIN BOARDS AND COUNCILS

Joint Finance: Eliminate the following boards and councils. In addition, specify that the Department of Safety and Professional Services (DSPS) must include a proposal to eliminate inactive boards, councils, or commissions with the submission of its biennial agency budget request. Under current law, DOA proposes the elimination of inactive boards, councils, or commissions with the submission of its biennial agency budget request.

Administration

Acid Deposition Research Council
Council on Utility Public Benefits
Information Technology Management Board
Service Award Board

Office of the Governor

Standards Development Council

Historical Society

Historical Society Endowment Fund Council

Natural Resources

Managed Forest Land Board
Milwaukee River Revitalization Council

Public Service Commission

Telecommunications Privacy Council

Safety and Professional Services

Automatic Fire Sprinkler System Contractors
and Journeymen Council
Crematory Authority Council Examining
Council on Licensed Practical Nurses
Examining Council on Registered Nurses
Multifamily Dwelling Code Council
Pharmacist Advisory Council

Workforce Development

Labor and Management Council

Senate/Legislature: Modify the provision to maintain the Automatic Fire Sprinkler System Contractors and Journeymen Council.

[Act 55 Sections: 77m, 93m, 100m, 108g thru 108r, 120g, 120r, 125m, 126m, 148m, 157m, 161m, 203p thru 211p, 222m, 247m, 254b thru 254x, 272f, 320m, 328m, 396d thru 417r, 634m, 797m, 990r, 1065m, 1308k, 1308m, 1700m, 2530v, 2531c thru 2531w, 2724m, 2725m, 3482m, 3582r, 4109b, 4416g thru 4467r, 9101(10j), and 9101(10k)]

30. ELIMINATE CERTAIN BOARDS AND COUNCILS UNDER DEPARTMENT OF ADMINISTRATION

Joint Finance/Legislature: Eliminate the following boards administratively attached to DOA and councils that are created within DOA: (a) Acid Deposition Research Council; (b) Council on Utility Public Benefits; (c) Information Technology (IT) Management Board; and (d) Service Award Board. In its 2015-17 biennial budget request, DOA proposed the elimination of the boards and councils, which had not met for at least one year, from September, 2013, to September, 2014.

Under current law, the boards and councils perform the following functions:

The Acid Deposition Research Council makes recommendations relating to acid deposition research in the state, including recommendations regarding research objectives, types of and priorities for research, and funding levels for research based on evaluations of mechanisms for funding. In addition, the Council must, by July 1 of each even-numbered year, submit a report of its work summarizing its recommendations and the results of the research reviewed and must file the report with the Governor, the Secretary of DOA, the Chairperson of the Natural Resources Board, and the Chief Clerk of each house of the Legislature for distribution to the appropriate standing committees.

The Department must administer the low-income energy assistance program, including the promulgation of administrative rules, in consultation with the Council on Utility Public Benefits.

The Department must report on an annual basis to the Joint Committee on Information Policy and Technology and the IT Management Board concerning the performance measures utilized by DOA and the actual performance of DOA and executive branch agencies measured against the performance measures then in effect. The IT Management Board must provide DOA with recommendations concerning any element of an executive branch agency strategic IT plan that is referred to the Board, may advise DOA with respect to management of the state's IT portfolio, and may monitor progress in attaining goals for IT and telecommunications development set by DOA or other executive branch agencies and make recommendations concerning the attainment of such goals. The Board may, upon petition of an executive branch agency, review any decision of DOA relating to IT which affects that agency and may affirm, modify, or set aside the decision. If the Board modifies or sets aside the decision of DOA, the decision of the Board stands and the decision is not subject to further review or appeal.

The Service Award Board is responsible for establishing the service award program under DOA through the promulgation of administrative rules regarding funding and administration of length of service awards provided to volunteer fire fighters, first responders, emergency medical technicians, and the beneficiaries of such volunteers under certain circumstances. [Under the provision, responsibility for functions performed by the Service Award Board would be transferred to DOA.]

[Act 55 Sections: 108g, 108r, 120g, 120r, 125m, 126m, 247m, 254b thru 254x, 320m, 328m, 396d thru 417r, 797m, 1308k, 1308m, and 9101(10j)]

Transfers

1. TRANSFER FUNCTIONS OF THE OFFICE OF STATE EMPLOYMENT RELATIONS [LFB Paper 496]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	- \$142,600	- 0.50	\$0	0.00	- \$142,600	- 0.50
PR	<u>11,057,900</u>	<u>37.50</u>	<u>0</u>	<u>3.00</u>	<u>11,057,900</u>	<u>40.50</u>
Total	\$10,915,300	37.00	\$0	3.00	\$10,915,300	40.00

Governor: Provide \$5,672,300 PR in 2015-16, \$5,679,400 PR in 2016-17, and 39.0 PR positions annually associated with the transfer of functions from the Office of State Employment Relations (OSER), which is attached administratively to the Department of Administration (DOA). Delete the following base positions and related funding from DOA associated with the transfer of OSER functions to the Department: (a) \$71,300 GPR and 0.5 GPR human resources manager position annually; and (b) \$146,900 PR and 1.5 PR positions annually (1.0 employment relations program coordinator and 0.5 human resources manager). [While 42.0 PR positions transferred from OSER to DOA under the bill, 39.0 transferred PR positions were re-created under DOA. The administration indicates that an errata will be submitted to provide an additional 3.0 PR positions to DOA that were intended to be transferred from OSER under this recommendation.]

Transfer the following OSER appropriations to supervision and management under DOA: (a) PR annual services to nonstate governmental units; (b) PR annual employee development and training services; (c) PR annual general program operations; (d) PR annual publications; and (e) PR annual collective bargaining grievance arbitrations.

Create a Division of Personnel Management under DOA. Provide that the administrator of the Division would serve at the pleasure of the Secretary of DOA. The administrator would be created under the unclassified service.

Create a Bureau of Merit Recruitment and Selection within the Division. Provide that the director of the Bureau would serve at the pleasure of the Secretary of DOA. The director would be created under the unclassified service. [Under current law, the administrator of the Division of Merit Recruitment and Selection under OSER must be nominated by the Governor, and with the advice and consent of the Senate appointed for a five-year term, under the unclassified service from a register of at least five names certified to the Governor by the Director of OSER. The Director of OSER must prepare and conduct an examination for the position of administrator of the Division of Merit Recruitment and Selection according to state requirements for classified positions. The administrator of the Division of Merit Recruitment and Selection may be re-nominated by the Governor, and with the advice and consent of the Senate reappointed.]

Create a Council on Affirmative Action in the Division consisting of 15 members

appointed for three-year terms. Require that a majority of the Council's members be: (a) public members; and (b) minority persons, women, or persons with disabilities, appointed with consideration to the appropriate representation of each group. Provide that the President of the Senate, the Speaker of the Assembly, the Minority Leader of the Senate, and the Minority Leader of the Assembly each appoint one member to the Council. Specify that the remaining Council members be appointed by the Governor. The Council on Affirmative Action in the Division would mirror the current law Council on Affirmative Action under OSER.

Create a State Employees Suggestion Board under DOA consisting of three persons, at least one of whom shall be a state officer or employee, appointed for four-year terms. The State Employees Suggestion Board under DOA would mirror the current law State Employees Suggestion Board in OSER.

Under current law, OSER is responsible for overseeing the state civil service system including labor relations, negotiating on behalf of the state with its collective bargaining units, and administering the state's affirmative action and equal opportunity programs.

Joint Finance/Legislature: Approve provision. In addition, provide an additional 3.0 PR positions to DOA that were intended to be transferred from OSER to DOA under the Governor's recommendation.

[Act 55 Sections: 116 thru 119, 125, 815, 817 thru 820, 3139, 3626, and 3674]

2. **DESIGNATED PROVIDER OF INFORMATION TECHNOLOGY SERVICES FOR CERTAIN AGENCIES** [LFB Paper 110]

	Governor		Jt. Finance/Leg.		Net Change	
	(Chg. to Base)		(Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
PR	\$9,746,000	43.00	-\$9,746,000	-42.00	\$0	1.00

Governor: Require DOA to provide all information technology services for the following agencies: (a) Department of Financial Institutions or its successor agency; (b) Department of Safety and Professional Services or its successor agency; (c) Public Service Commission; (d) State Fair Park Board; (e) Educational Communications Board; (f) Higher Educational Aids Board; (g) State Historical Society; (h) Technical College System Board; (i) Department of Tourism; (j) Board of Commissioners of Public Lands; (k) Government Accountability Board; (l) Board on Aging and Long-Term Care; (m) Board for People with Developmental Disabilities; (n) Office of the Governor; (o) Office of the Lieutenant Governor; (p) Office of the State Treasurer; and (q) Office of the Secretary of State.

Provide \$4,873,000 and 43.0 positions annually to DOA's appropriation for printing, mail, communication, and information technology services to state agencies and veterans services. In addition to the agencies listed above, DOA would provide information technology services to the Office of State Employment Relations (which is administratively attached to DOA and would be converted under the bill to a Division of Personnel Management within DOA). Under the

provision, 12 agencies are allocated position reductions. The table below shows position adjustments for each agency, including DOA, and amounts of funding reallocated within each agency from salaries and fringe to supplies and services to pay service charges assessed by DOA.

<u>Agencies by Fund</u>	<u>Annual FTE Positions</u>	<u>Annual Reallocation</u>
GPR		
Educational Communications Board	-3.34	\$293,300
Higher Educational Aids Board	-3.00	218,700
Historical Society	-6.00	673,400
Technical College System	-2.00	203,700
Tourism	<u>-3.00</u>	<u>203,900</u>
Total GPR Positions	-17.34	\$1,593,000
FED		
Historical Society	-1.00	\$69,900
Technical College System	-4.00	369,200
Tourism	<u>-1.00</u>	<u>77,400</u>
Total FED Positions	-6.00	\$516,500
PR		
Board of Commissioners of Public Lands	-1.00	\$82,100
Board on Aging and Long-Term Care	-0.50	39,600
Educational Communications Board	-0.66	54,900
Financial Institutions	-11.00	1,269,100
Office of State Employment Relations	-1.00	79,600
Public Service Commission	-9.00	876,800
Safety and Professional Services	-1.78	167,700
State Fair Park	<u>-1.00</u>	<u>106,100</u>
Total PR Positions	-25.94	\$2,675,900
SEG		
Public Service Commission	-1.00	\$94,100
Agencies Total	-50.28	\$4,879,500
Administration		
PR	<u>43.00</u>	
Subtotal Administration	43.00	
Net Total Position Adjustments	-7.28	

On the effective date of the bill, specify that the assets and liabilities of the agencies identified in the bill which are related to information technology, as determined by the Secretary of DOA, would become the assets and liabilities of DOA. In addition, on the effective date of the bill, specify that all tangible personal property, including records, relating to information technology would transfer to DOA. Further, all information technology contracts entered into by the agency would remain in effect and would transfer to DOA. The bill does not specify that any positions or incumbent employees would be transferred from the specified agencies to DOA under the provision. [See entries under each agency section.]

Joint Finance: Delete provision. Instead, require DOA to consult with identified agencies and develop a plan for assuming responsibility for services relating to human resources, payroll, finance, budgeting, procurement, and information technology (IT), for any of the following agencies: Board of Commissioners of Public Lands; Board on Aging and Long-Term Care; Board for People with Developmental Disabilities; Educational Communications Board; Department of Financial Institutions; Government Accountability Board; Higher Educational Aids Board; State Historical Society; Public Service Commission; Department of Safety and Professional Services; Office of the Secretary of State; State Fair Park Board; Technical College System Board; Department of Tourism; Office of the Governor; Office of the Lieutenant Governor; and Office of the State Treasurer. Specify that the Secretary of DOA submit to the Joint Committee on Finance the plan for approval under s. 13.10 of the statutes no later than March 1, 2016, for implementation beginning July 1, 2016. Require DOA to include in the plan which services would be provided to each agency, which positions would be deleted or transferred, and the number and type of positions and associated funding that would be provided to DOA.

In addition, specify that 1.0 IT position and the incumbent employee be transferred from the Office of State Employment Relations to DOA's new Division of Personnel Management and reallocate supplies and services funding of \$79,600 PR annually to salaries and fringe benefits associated with the position.

Senate/Legislature: Remove the Technical College System Board from the list of agencies that would be considered for the proposal.

Veto by Governor [C-39]: Remove the following agencies from the list of agencies that would be considered for the proposal: (a) Board on Aging and Long-Term Care; (b) Board for People with Developmental Disabilities; (c) Office of the Secretary of State; (d) Office of the State Treasurer; (e) Office of the Governor; and (f) Office of the Lieutenant Governor.

[Act 55 Section: 9101(5n)]

[Act 55 Vetoed Section: 9101(5n)(a)]

3. TRANSFER CERTAIN AGENCY FUNCTIONS FOR SHARED AGENCY SERVICES PILOT AND STUDY [LFB Paper 111]

	Governor		Jt. Finance/Leg.		Net Change	
	(Chg. to Base)		(Chg. to Gov)			
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$0	0.00	-\$953,600	- 5.37	-\$953,600	- 5.37
FED	- 91,000	- 0.43	0	0.00	- 91,000	- 0.43
PR	<u>6,444,600</u>	<u>35.13</u>	<u>- 5,400,000</u>	<u>- 29.33</u>	<u>1,044,600</u>	<u>5.80</u>
Total	\$6,353,600	34.70	-\$6,353,600	- 34.70	\$0	0.00

Governor: Modify the Department's funding and position authority by -\$45,500 FED, \$3,222,300 PR, -0.43 FED position, and 35.13 PR positions annually for a pilot program and

enterprise-wide program implementation study to consolidate administrative functions of state agencies. Funding and position adjustments would be provided to the following appropriations, as shown in the table below.

		2015-16			2016-17		
<u>DOA Appropriation</u>	<u>FTE</u>	<u>Salary and Fringe</u>	<u>Supplies and Services</u>	<u>Total Funding</u>	<u>Salary and Fringe</u>	<u>Supplies and Services</u>	<u>Total Funding</u>
FED							
Indirect cost reimbursements	-0.43	-\$40,600	-\$4,900	-\$45,500	-\$40,600	-\$4,900	-\$45,500
PR							
Materials and services to state agencies and certain districts	14.63	\$1,197,000	\$172,500	\$1,369,500	\$1,153,600	\$166,800	\$1,320,400
Procurement services	1.00	72,200	11,400	83,600	72,200	11,400	83,600
General program operations (Division of Personnel Management)	<u>19.50</u>	<u>1,552,600</u>	<u>216,600</u>	<u>1,769,200</u>	<u>1,596,000</u>	<u>222,300</u>	<u>1,818,300</u>
Subtotal PR	35.13	\$2,821,800	\$400,500	\$3,222,300	\$2,821,800	\$400,500	\$3,222,300
All Funds	34.70	\$2,781,200	\$395,600	\$3,176,800	\$2,781,200	\$395,600	\$3,176,800

Require DOA to administer for each "shared services agency" services relating to human resources, payroll, finance, budgeting, and procurement. The pilot program would be conducted for the following agencies, defined as shared services agencies under the bill: (a) Department of Financial Institutions or its successor agency; (b) Department of Safety and Professional Services or its successor agency; (c) Public Service Commission; (d) State Fair Park Board; (e) Educational Communications Board; (f) Higher Educational Aids Board; (g) State Historical Society; (h) Technical College System Board; (i) Department of Tourism; (j) Board of Commissioners of Public Lands; and (k) Government Accountability Board. Under the provision, 10 agencies are allocated position reductions. The table below shows position adjustments for each agency, including DOA, and amounts of funding reallocated from salaries and fringe to supplies and services to pay service charges assessed by DOA.

**Shared Agency Services
Position and Funding Adjustments**

<u>Agencies by Fund</u>	<u>Annual FTE Positions</u>	<u>Annual Reallocation</u>
GPR		
Educational Communications Board	-3.00	\$241,700
Government Accountability Board	-1.50	88,600
Historical Society	-7.33	719,600
Technical College System	-2.50	245,900
Tourism	<u>-1.00</u>	<u>97,700</u>
Total GPR Positions	-15.33	\$1,393,500
FED		
Historical Society	-1.00	\$58,800
Technical College System	<u>-0.50</u>	<u>49,400</u>
Total FED Positions	-1.50	\$108,200
PR		
Board of Commissioners of Public Lands	-1.00	\$106,000
Financial Institutions	-5.00	320,700
Government Accountability Board	-0.50	39,700
Historical Society	-1.00	68,700
Public Service Commission	-3.00	219,000
Safety and Professional Services	-17.00	1,384,200
State Fair Park	<u>-1.00</u>	<u>110,700</u>
Total PR Positions	-28.50	\$2,249,000
SEG		
Historical Society	-0.67	\$38,700
Shared Services Agencies Total	-46.00	\$3,789,400
Administration		
FED	-0.43	
PR	<u>35.13</u>	
Subtotal Administration	34.70	
Net Total Position Adjustments	-11.30	

Permit DOA to assess shared services agencies for services provided, in accordance with a methodology determined by DOA. Specify that funding from procurement-related assessments would be provided to DOA's procurement services appropriation. [See entries under each agency section.]

On the effective date of the bill, specify that the assets and liabilities of a shared services agency that relate to human resources services, payroll services, finance services, budget functions, and procurement functions, as determined by the Secretary of DOA, would become the assets and liabilities of DOA. In addition, on the effective date of the bill, specify that all tangible personal property, including records, of a shared services agency that relate to human resources services, payroll services, finance services, budget functions, and procurement

functions, would transfer to DOA. Further, all contracts entered into by the shared services agency that relate to human resources services, payroll services, finance services, budget functions, and procurement functions would remain in effect and would transfer to DOA. The bill does not specify that any positions or incumbent employees would be transferred from the specified agencies to DOA under the provision.

Require DOA to study an enterprise-wide shared services model for implementation in the 2017-19 budget. Under the bill, DOA must submit an implementation plan based on the results of the study to the Governor and the Legislature by June 30, 2016.

Joint Finance: Delete provision (funding and position authority adjustments of \$45,500 FED, -\$3,222,300 PR, 0.43 FED position, and -35.13 PR positions annually). Instead, require DOA to consult with identified agencies and develop a plan as specified in Item #2 above. Specify that the Secretary of DOA submit to the Joint Committee on Finance the plan for approval under s. 13.10 of the statutes no later than March 1, 2016, for implementation beginning July 1, 2016.

In addition, allow DOA to reorganize internally effective July 1, 2015, in association with the transfer of the Office of State Employment Relations to DOA's new Division of Personnel Management. Further, provide funding and position authority adjustments of -\$476,800 GPR, -\$45,500 FED, \$522,300 PR, -5.37 GPR positions, -0.43 FED position, and 5.8 PR positions annually under DOA associated with the reorganization.

Senate/Legislature: Remove the Technical College System Board from the list of agencies that would be considered for the proposal.

Veto by Governor [C-39]: Remove the following agencies from the list of agencies that would be considered for the proposal: (a) Board on Aging and Long-Term Care; (b) Board for People with Developmental Disabilities; (c) Office of the Secretary of State; (d) Office of the State Treasurer; (e) Office of the Governor; and (f) Office of the Lieutenant Governor.

[Act 55 Section: 9101(5n)]

[Act 55 Vetoed Section: 9101(5n)(a)]

4. **TRANSFER PROCUREMENT POSITION FROM DEPARTMENT OF EMPLOYEE TRUST FUNDS** [LFB Paper 272]

	Governor		Jt. Finance/Leg.		Net Change	
	(Chg. to Base)		(Chg. to Gov)			
	Funding	Positions	Funding	Positions	Funding	Positions
PR	\$156,800	1.00	-\$156,800	- 1.00	\$0	0.00

Governor: Transfer from the Department of Employee Trust Funds (ETF) 1.0 position and an incumbent employee holding the position who performs duties relating to procurement, as determined by the Secretary of DOA. Provide \$78,400 annually to DOA's procurement services

appropriation to fund the transferred position (\$56,700 for salaries and \$21,700 for fringe benefits). Specify that the employee would retain the rights and status held at ETF before the transfer. In addition, the employee would not be required to serve a probationary period if the employee has attained permanent status. The administration indicates that the transferred position and funding would be provided to manage ETF's purchasing, other than procurement relating to group insurance, as well as procurement and purchasing for the Historical Society, State Fair Park Board and the shared agency services pilot program agencies. [See "Employee Trust Funds."]

Under the shared agency services pilot program provision, also summarized under this section, responsibility for procurement and other administrative services would transfer from several agencies, including the Historical Society and State Fair Park Board. In the event that the ETF position is transferred but the shared agency services pilot program provision is not adopted, the administration indicates that it intends to transfer procurement functions from ETF, the Historical Society, and State Fair Park Board to DOA, using currently existing authority granted under procurement statutes.

Joint Finance/Legislature: Delete provision. Further, delete the authority of DOA to require ETF and its governing boards to utilize DOA procurement and purchasing services. [See "Employee Trust Funds."]

Veto by Governor [C-34]: Maintain the current law authority of DOA to require ETF and its governing boards to utilize DOA procurement and purchasing services.

[Act 55 Vetoed Sections: 282s, 326q, 327b, 327d (as it relates to s. 16.745), 330n, 334c, 339n, 345b thru 355b, and 355s (as it relates to s. 16.745)]

5. TRANSFER WORKER'S COMPENSATION ADJUDICATORY FUNCTIONS FROM WORKFORCE DEVELOPMENT [LFB Paper 735]

	Funding	Positions
PR	\$5,529,500	33.00

Governor: Provide \$1,843,200 in 2015-16, \$3,686,300 in 2016-17, and 33.0 positions annually to transfer adjudicatory responsibilities relating to worker's compensation disputes from the Department of Workforce Development (DWD) to the Division of Hearings and Appeals (DHA) in DOA. The funding and transferred positions would be provided to the following appropriations of DOA: (a) hearings and appeals fees (\$1,794,100 in 2015-16 and \$3,588,100 in 2016-17 and 32.0 positions annually associated with adjudicatory duties); and (b) materials and services to state agencies and certain districts (\$49,100 in 2015-16 and \$98,200 in 2016-17 and 1.0 human resources program officer position annually). Permit the administrator of DHA to set fees to be charged for any services provided to the Office of the Commissioner of Insurance (OCI) by a hearing examiner. [Under the bill, responsibility for administration of the worker's compensation program is transferred from DWD to OCI.] Require OCI to pay all costs of the services provided by a hearing examiner assigned by DHA, according to fees set by the administrator of DHA. Specify that duplicate copies of an award made on behalf of a state employee must be filed with the unit of DOA responsible for risk management. Under current law, the unit of DOA with which copies of an award must be filed is not specified. According to

the Executive Budget Book, the transfers to DOA and the Office of the Commissioner of Insurance "will consolidate similar functions and create greater efficiencies."

Specify that the effective date of the transfer of worker's compensation responsibilities to DHA and OCI would be January 1, 2016. Specify that, on the effective date, the assets and liabilities of DWD primarily relating to the adjudicatory functions of the Division of Worker's Compensation, as determined by the Secretary of DOA, would become the assets and liabilities of DHA in DOA. Further, specify that all positions and all incumbent employees holding those positions performing duties that are primarily related to the adjudicatory functions of worker's compensation, as determined by the Secretary of DOA, be transferred on the effective date to DHA. Provide that the employees transferred under the provision would maintain the rights and status that they enjoyed before the transfer, and would not be required to serve a probationary period if they have already attained permanent status. Specify that all tangible personal property, records, pending matters, and contracts that are primarily related to the adjudicatory functions of worker's compensation, as determined by the Secretary of DOA, would be transferred on the effective date to DHA. Specify that all rules and orders that are primarily related to the adjudicatory functions of worker's compensation, as determined by the Secretary of DOA, would remain in effect until their specified expiration dates or until modified or rescinded by the administrator of DHA.

Joint Finance/Legislature: Specify that, of the 33.0 transferred positions, at least 18 must be administrative law judges who would be transferred to DOA to hear worker's compensation cases. Require that each of the worker's compensation administrative law judges must allocate at least 80% of their time on worker's compensation issues. Specify that six worker's compensation administrative law judges and two legal support staff remain at DWD to mediate disputes. [See "Workforce Development."]

Veto by Governor [C-41]: Delete the provision that requires at least 18 DHA examiners to devote not less than 80 percent of their work time to hear worker's compensation cases.

[Act 55 Sections: 1412d thru 1414, 2727 thru 2744d, 2754d thru 2769, 2770, 2772d thru 2830d, 2831d thru 2942d, 2944d, 2952 thru 2991d, 2995d, 2996d, 3587, 3588d, 3591d, 3594d, 9151(2), and 9451(1v)]

[Act 55 Vetoed Section: 2830e]

6. ELECTRONIC RECORDING AND DELIVERY OF WORKER'S COMPENSATION HEARING TESTIMONY AND MATERIALS

Governor: Permit DHA to provide by rule the conditions under which transcripts or electronic recordings of worker's compensation hearing testimony and proceedings shall be furnished. Under current law, DHA may provide by rule the conditions under which transcripts only shall be furnished.

Require DHA to record all testimony given at worker's compensation hearings by electronic means rather than by a stenographer. Specify that a stenographer must transcribe

testimony only if the hearing examiner orders the transcription. Under current law, all testimony given at worker's compensation hearings must be taken down by a stenographer, except that in the case of an emergency testimony may be recorded.

Require DHA to provide to the parties of a worker's compensation hearing proceeding a copy of the electronic recordings (or transcripts ordered) upon the payment of any fee that is required by DHA by rule.

Permit DHA to provide the following documents and correspondence to the parties of interest of a worker's compensation hearing by electronic means or by mail: (a) copy of an application in writing stating the general nature of any claim as to which a dispute or controversy may have arisen; (b) notice of a hearing on the application; (c) hearing examiner's findings and order; (d) notice of reversal or modification; and (e) decision of the Labor and Industry Review Commission. Under current law, the documents and correspondence may only be provided by mail.

In addition, permit the Labor and Industry Review Commission, when providing copies of a summons and complaint that has been served to a member of the Commission, to provide copies by electronic means or by mail. Under current law, the Commission may only provide copies of a summons and complaint by mail.

Joint Finance/Legislature: Delete provision as a non-fiscal policy item.

7. **TRANSFER STATE ENERGY OFFICE AND RELOCATION ASSISTANCE TO PUBLIC SERVICE COMMISSION** [LFB Paper 112]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	- \$176,000	- 1.00	\$176,000	1.00	\$0	0.00
FED	- 4,204,400	- 6.00	0	0.00	- 4,204,400	- 6.00
PR	- 197,800	- 1.00	0	0.00	- 197,800	- 1.00
Total	- \$4,578,200	- 8.00	\$176,000	1.00	\$4,402,200	- 7.00

Governor: Delete \$88,000 GPR, \$2,102,200 FED and \$98,900 PR annually and delete position authority of 1.0 GPR position, 6.0 FED positions, and 1.0 PR position annually from DOA to transfer to the Public Service Commission (PSC) the State Energy Office and responsibility for administering relocation assistance to persons displaced when their property is condemned for public improvements.

State Energy Office. Currently, the State Energy Office has 9.0 positions (1.0 GPR position, 6.0 FED positions, 1.0 PR position, and 1.0 SEG position). Under the proposed transfer of the Office, a total of 6.0 positions and their incumbent employees would transfer to the PSC (1.0 GPR position, which would be converted to a PR position, and 5.0 FED positions). Of the remaining 3.0 positions, 1.0 PR position and 1.0 FED position in the Office would be deleted and 1.0 SEG position, which is funded from the petroleum inspection fund, would stay at DOA to

administer the diesel truck idling reduction grant program. According to the administration, the State Energy Office and PSC currently coordinate activities relating to publication of energy statistics and administration of energy efficiency-related programs, and could benefit from shared resources and experience with revolving loan funds and energy matters in general.

Relocation Assistance. Transfer responsibility for performing the following functions relating to relocation assistance from DOA to the PSC: (a) determination of standards defining a comparable dwelling as decent, safe and sanitary, and within the financial means of the displaced person; (b) determination of whether certain activities cause a person to be displaced; (c) establishment of a schedule for making optional fixed payments instead of actual relocation expenses related to dwellings, businesses, and farms; (d) promulgation of rules for computing increased interest costs incurred to finance replacement housing for owner-occupants, tenants, and certain others; (e) promulgation of rules regarding replacement payments for owner-occupied and tenant-occupied businesses or farm operations; (f) establishment of procedures for waiver of relocation assistance; (g) promulgation of rules regarding the procedure for collecting itemized items of compensation; (h) review and approval of relocation payment plans and assistance services; (i) the formulation of local standards for decent, safe, and sanitary dwelling accommodations; (j) the promulgation of rules related to the administration of the relocation assistance program; (k) cooperation with the Department of Transportation in the promulgation of administrative rules; (l) conducting investigations to determine compliance with relocation assistance requirements; (m) requesting court orders to obtain condemnor compliance; (n) requesting assistance from the Attorney General; (o) reviewing complaints from displaced persons prior to the person commencing a court action; (p) preparation of pamphlets describing the state's eminent domain laws; and (q) providing technical assistance to condemnors.

General Provisions. Specify that any related assets, liabilities, and tangible personal property are also transferred to the PSC, any matters pending with DOA relating to the State Energy Office or relocation assistance remain pending with the PSC, any contracts entered into remain in effect with the PSC, and any promulgated rules and orders remain in effect until their expiration or until they are modified, rescinded, or repealed by the PSC. Specify that 1.0 GPR position and 5.0 FED positions and the incumbent DOA employees holding the transferred positions, as determined by the DOA Secretary, are also transferred to the PSC and that those employees maintain their rights and status. Specify that no transferred employee who has attained permanent status would be required to serve a probationary period.

Joint Finance/Legislature: Modify the provision to maintain the relocation assistance program and associated funding and position authority of \$88,000 GPR and 1.0 GPR position annually at DOA.

[Act 55 Section: 9101(3)]

8. CONDEMNOR COMPLIANCE WITH FEDERAL RELOCATION ASSISTANCE REQUIREMENTS

Governor/Legislature: Require that, for federally financed projects, a condemnor exercising eminent domain authority that acquires property or undertakes a program or project

that displaces a person must not only comply with state law but also make any payments required under the federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, and any regulations adopted thereunder. According to DOA, confusion arises when federally-funded projects such as highway projects are subject to federal relocation assistance benefit requirements that exceed maximum benefit limits established under the state administrative code. The administration indicates that the purpose of the provision is to prevent a potential loss of federal funding when relocation benefit requirements differ under state and federal law.

[Act 55 Sections: 1073 and 1076]

9. TRANSFER INFORMATION TECHNOLOGY INFRASTRUCTURE FUNCTIONS AND POSITIONS FROM WORKFORCE DEVELOPMENT

	Funding	Positions
PR	\$1,236,400	5.00

Governor/Legislature: Provide \$618,200 and 5.0 positions annually to the Department's printing, mail, communication, and information technology services to state agencies and veterans services appropriation (modified under the bill to consolidate two information technology appropriations under DOA) to transfer information technology infrastructure functions from the Department of Workforce Development (DWD) to DOA. Funding would be for: (a) salaries (\$447,200 annually); and (b) fringe benefits (\$171,000 annually).

Of the 5.0 positions provided, transfer from DWD 4.0 incumbent employees performing duties "primarily related to infrastructure," as determined by the Secretary of DOA. Transferred employees would retain the rights and status that they possessed prior to the transfer. Any permanent employees transferred under the provision would not be required to serve a probationary period. [See "Workforce Development."]

[Act 55 Section: 9151(6)]

10. TRANSFER VACANT POSITIONS FROM AGENCIES FOR INFORMATION TECHNOLOGY PROCUREMENT [LFB Paper 113]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
PR	\$1,088,000	5.00	- \$1,088,000	- 5.00	\$0	0.00

Governor: Provide \$544,000 and 5.0 positions annually to the Department's printing, mail, communication, and information technology services to state agencies and veterans services appropriation (modified under the bill to consolidate two information technology appropriations under DOA) to "strengthen information technology and services procurement." Transfer 1.0 vacant position from each of the following departments to DOA: (a) Children and Families; (b) Health Services; (c) Natural Resources; (d) Transportation; and (e) Workforce

Development. [See entries under each agency section.]

According to the Executive Budget Book, the increased DOA staff is intended to "ensure that individual agency information technology purchases are made in a way that considers technologies and products already in use across the enterprise and maximizes single, integrated solutions whenever possible."

Joint Finance/Legislature: Delete provision.

11. TRANSFER POSITIONS FOR AN OFFICE OF GOVERNMENT CONTINUITY
[LFB Paper 114]

	Governor		Jt. Finance/Leg.		Net Change	
	(Chg. to Base)		(Chg. to Gov)			
	Funding	Positions	Funding	Positions	Funding	Positions
PR	\$676,500	3.00	- \$676,500	- 3.00	\$0	0.00

Governor: Create an Office of Government Continuity under DOA. Provide \$314,000 in 2015-16, \$362,500 in 2016-17, and 3.0 positions annually to DOA's appropriation for materials and services to state agencies and certain districts. Funding would be provided for: (a) salaries (\$105,000 in 2015-16 and \$140,100 in 2016-17); (b) fringe benefits (\$40,200 in 2015-16 and \$53,600 in 2016-17); and (c) supplies and services (\$168,800 annually). Require the Office to establish and administer a continuity of government program in consultation with the administrator of the Division of Emergency Management in the Department of Military Affairs, to ensure the continuity of state government operations during a disaster. Further, require the Office to establish and periodically update a continuity of operations plan for each executive branch state agency, and administer the plan in cooperation with each agency. Require DOA to annually assess each executive branch state agency an amount equal to that agency's share of DOA's costs incurred in the operation of the Office, by a method of apportionment determined by DOA. Specify that assessments received for the Office of Government Continuity would be deposited to DOA's appropriation for materials and services to state agencies and certain districts.

Transfer 1.0 position from each of the following agencies, to staff the Office of Government Continuity: (a) the Department of Safety and Professional Services, or its successor agency; (b) the Department of Health Services; and (c) the Wisconsin Historical Society. [See entries under each agency section.]

Joint Finance/Legislature: Delete provision.

[Act 55 Section: 784]

12. TRANSFER MUNICIPAL FILING FUNCTIONS FROM OFFICE OF SECRETARY OF STATE [LFB Paper 581]

Governor: Transfer certain record keeping functions from the Office of Secretary of State (SOS) to DOA related to certain municipal annexations, detachments, dissolutions, or incorporations. These provisions would first apply to a document that is filed, recorded, supplied, provided, forwarded, or issued, or to a fact that is certified on the effective date of the budget bill. The bill would not transfer existing records from the SOS to DOA. [See "Secretary of State."]

Joint Finance/Legislature: Specify that the existing records of the SOS relating to municipal boundary record keeping would be transferred to, and become the property of, DOA on the effective date of the bill.

[Act 55 Sections: 1924, 1925, 1940, 1941, 1945, 1946, 1948d, 1953 thru 1966, 1969, 1970, 9139(1q), and 9329(2)]

13. TRANSFER BUSINESS CERTIFICATIONS TO DEPARTMENT OF FINANCIAL INSTITUTIONS AND PROFESSIONAL STANDARDS

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	- \$221,300	- 2.00	\$221,300	2.00	\$0	0.00
PR	<u>- 227,500</u>	<u>- 1.00</u>	<u>227,500</u>	<u>1.00</u>	<u>0</u>	<u>0.00</u>
Total	- \$448,800	- 3.00	\$448,800	3.00	\$0	0.00

Governor: Transfer from DOA to the Department of Financial Institutions and Professional Standards (DFIPS) responsibilities relating to disabled veteran-owned business certifications, woman-owned business certifications, and minority business certifications. Renumber DOA's PR appropriation for disabled veteran-owned, woman-owned, and minority business certification fees to create the appropriation under DFIPS and reduce the associated expenditure authority of \$15,800 PR in 2015-16 and \$31,500 in 2016-17 under DOA. In addition, reduce the remaining funding and position authority associated with the certification program by \$73,800 GPR and \$60,100 PR in 2015-16 and \$147,500 GPR and \$120,100 PR in 2016-17 and 2.0 GPR positions and 1.0 PR position annually, from DOA's GPR appropriation for supervision and management general program operations and PR appropriation for capital planning and building construction services.

Specify that all positions and incumbent employees in the classified service who hold the positions that perform duties primarily related to disabled veteran-owned business certifications, woman-owned business certifications, and minority business certifications, as determined by the Secretary of DOA, would be transferred to DFIPS on the effective date of the provision (January 1, 2016). Specify that the employees transferred to DFIPS under the provision would maintain the rights and status that they enjoyed at DOA prior to the transfer. Specify that the assets and liabilities, tangible personal property (including records), and pending matters that are primarily

related to disabled veteran-owned business certifications, woman-owned business certifications, and minority business certifications, as determined by the Secretary of DOA, would transfer to DFIPS. In addition, specify that all contracts entered into by DOA that are in effect prior to the transfer and are primarily related to disabled veteran-owned business certifications, woman-owned business certifications, and minority business certifications, as determined by the Secretary of DOA, would remain in effect and would transfer to DFIPS. [See "Financial Institutions and Professional Standards."]

Currently, certified businesses may receive technical and marketing assistance, including participation in a statewide business marketing conference, and are eligible to be listed in the state's directory of minority, woman-owned, and disabled veteran-owned businesses, which is available through the supplier diversity program. In addition, when minority businesses and disabled veteran-owned businesses submit a state purchasing bid, they may be awarded a state procurement price preference of 5% higher than the lowest responsible bid. This permissive low-bid preference is applicable to all state purchases except printing and stationery.

Joint Finance/Legislature: Delete provision.

14. **TRANSFER OFFICE OF BUSINESS DEVELOPMENT AND SMALL BUSINESS REGULATORY REVIEW BOARD TO DEPARTMENT OF FINANCIAL INSTITUTIONS AND PROFESSIONAL STANDARDS**

	Governor		Jt. Finance/Leg.		Net Change	
	(Chg. to Base)		(Chg. to Gov)			
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	-\$369,500	- 2.00	\$369,500	2.00	\$0	0.00

Governor: Transfer the Office of Business Development and the Small Business Regulatory Review Board from being attached administratively to DOA to being attached administratively to the newly created Department of Financial Institutions and Professional Standards (DFIPS). Reduce funding and position authority by \$123,200 in 2015-16 and \$246,300 in 2016-17 and 2.0 unclassified positions annually from DOA's supervision and management general program operations appropriation in association with the transfer. Funding reductions for the Office, which is staffed by a director and deputy director and provides support to the Board, would be allocated as follows: (a) salaries, \$83,300 in 2015-16 and \$166,600 in 2016-17; (b) fringe benefits, \$31,900 in 2015-16 and \$63,700 in 2016-17; and (c) supplies and services, \$8,000 in 2015-16 and \$16,000 in 2016-17. Under the transfer to DFIPS, the Office of Business Development would receive additional staff of 1.0 unclassified attorney position and 1.0 program and policy analyst position annually.

Specify that the assets and liabilities, tangible personal property (including records), and pending matters that are primarily related to the Office of Business Development and Small Business Regulatory Review Board, as determined by the Secretary of DOA, would transfer to DFIPS on the effective date of the provision (January 1, 2016). In addition, specify that all contracts entered into by DOA that are in effect prior to the transfer and are primarily related to

the Office of Business Development and Small Business Regulatory Review Board, as determined by the Secretary of DOA, would remain in effect and would transfer to DFIPS. [See "Financial Institutions and Professional Standards."]

Joint Finance/Legislature: Delete provision.

15. TRANSFER STATE PROSECUTORS OFFICE TO JUSTICE [LFB Paper 263]

	Governor		Jt. Finance/Leg.		Net Change	
	<u>(Chg. to Base)</u>		<u>(Chg. to Gov)</u>		<u>(Chg. to Base)</u>	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	-\$363,400	- 1.00	\$363,400	1.00	\$0	0.00

Governor: Reduce funding and position authority by \$181,700 annually and 1.0 position, and transfer the State Prosecutors Office from DOA to the Department of Justice (DOJ). Further, transfer the responsibility of preparing the District Attorney's (DA) biennial budget request from DOA to DOJ. The State Prosecutors Office is responsible for coordinating administrative duties relating to the 71 DA offices. Major responsibilities of the Office include: (a) payroll; (b) fringe benefits; (c) budgets; (d) billing counties for grant-funded positions; (e) collective bargaining (restricted to salary increases only); (f) advising elected DAs on their rights and responsibilities under the state compensation plan, Office of State Employment Relations administrative code, and the statutes; (g) producing fiscal notes and bill analyses for legislative proposals affecting the DAs; and (h) serving as a central point of contact for all prosecutors. [See "Justice" and "District Attorneys."]

Joint Finance/Legislature: Delete provision.

16. CONSOLIDATE MARKETING SERVICES IN TOURISM [LFB Paper 627]

	Governor		Jt. Finance/Leg.		Net Change	
	<u>(Chg. to Base)</u>		<u>(Chg. to Gov)</u>		<u>(Chg. to Base)</u>	
	Funding	Positions	Funding	Positions	Funding	Positions
PR	\$0	- 1.00	-\$187,800	0.00	-\$187,800	- 1.00

Governor: Delete 1.0 position identified by the administration as being generally related to marketing or communications. The position would be deleted from DOA's appropriation for printing, mail, communication, and information technology services to state agencies and veterans services (an appropriation which is renamed under the bill to include veterans services as a result of consolidating two appropriations). Associated funding (\$93,900 annually) would be reallocated from permanent position salaries and fringe benefits to supplies and services.

The provision is intended to consolidate various functions related to marketing of the state or state agency services in the Department of Tourism, which currently markets the state as a destination for tourists and other travelers. Tourism would be provided staffing and funding for

an Office of Marketing, and Tourism would charge agencies for marketing services. The bill would not provide for the transfer of any incumbent employees to Tourism. [See "Tourism."]

Joint Finance/Legislature: Modify the Governor's recommendation by deleting funding associated with the positions, rather than reallocating funding to supplies and services.

Hearings and Appeals

1. CONVERT GPR HEARINGS AND APPEALS FUNDING AND POSITIONS TO PR, CONSOLIDATE ADMINISTRATIVE HEARINGS [LFB Paper 120]

	Funding	Positions
GPR	- \$4,894,500	- 22.10
PR	<u>4,894,500</u>	<u>22.10</u>
Total	\$0	0.00

Governor/Legislature: Eliminate DOA's hearings and appeals operations appropriation and associated funding and position authority of \$2,447,200 GPR in 2015-16 and \$2,447,300 in 2016-17 and 22.1 GPR positions annually. Provide \$2,447,200 PR in 2015-16 and \$2,447,300 in 2016-17 and 22.1 PR positions annually to DOA's hearings and appeals fees appropriation. Specify that the PR hearings and appeals fees appropriation is provided for the general program operations of the Division of Hearings and Appeals, rather than for services for specific state agencies. Specify that all moneys received from fees charged for hearings and appeals services provided to state agencies be credited to the appropriation. Under current law, DOA may assess the following agencies for hearings and appeals services: (a) Department of Natural Resources; (b) Department of Transportation; (c) Department of Public Instruction; (d) Department of Health Services; (e) Department of Children and Families; and (f) an agency that is not prohibited from contracting with a third party for contested case hearing services and has requested that DOA provide the services.

According to the Budget in Brief, the Governor recommends that DOA conduct all administrative hearings for state agencies, with the exception of the Public Service Commission and unemployment insurance. Under other provisions recommended by the Governor, the following agencies are specifically identified with regard to hearings and appeals services fees payable to DOA: (a) Wisconsin Historical Society; (b) Office of the Commissioner of Insurance; (c) Department of Justice; and (d) Department of Workforce Development. In addition, the administration indicates that it intends to assess the Department of Corrections for hearings and appeals services. [See entries under each agency section relating to agency-specific decisions.]

[Act 55 Sections: 798, 799, 3589, 3590, and 3592]

2. HEARINGS AND APPEALS EXPENDITURE AUTHORITY FOR VOCATIONAL REHABILITATION

PR	\$200,000
----	-----------

Governor/Legislature: Provide \$100,000 annually to DOA's hearings and appeals fees appropriation to reflect increased expenditures to provide hearings and appeals services to the

Division of Vocational Rehabilitation (DVR) within the Department of Workforce Development. According to the administration, under a March, 2014, memorandum of understanding with DVR, DHA began conducting vocational rehabilitation hearings and collecting assessments from DVR. The Department indicates that the hearings have been conducted using existing expenditure authority, on a temporary basis, but that additional expenditure authority will be needed to perform this function and continue to provide hearings and appeals services to other state agencies.

3. CRIME VICTIM COMPENSATION HEARINGS AND SEXUAL ASSAULT FORENSIC EXAM HEARINGS [LFB Paper 420]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
PR	\$100,000	- \$100,000	\$0

Governor: Repeal the requirement that DOA's Division of Hearings and Appeals (DHA) appoint a hearing examiner in the event of a contested case relating to crime victim compensation awards and awards made under the sexual assault forensic exam (SAFE) program. Under the bill, the Department of Justice (DOJ) would retain the option to contract with DHA, under which DHA would appoint a hearing examiner to conduct these contested case hearings. Provide \$50,000 annually to DOA's hearings and appeals fees appropriation associated with the cost of conducting contested case hearings for DOJ.

According to the administration, the purpose of repealing the requirement that DHA appoint a hearing examiner in the event of these contested case hearings is to allow for DOJ to contract with DHA. Currently, DOJ does not pay DHA for its services relating to these contested case hearings because current law requires DHA to appoint a hearing examiner. The administration estimates that DHA would generate \$50,000 annually of program revenue from contracts with DOJ, under which DHA would appoint a hearing examiner for contested case hearings relating to crime victim compensation and SAFE awards.

The Department of Justice operates the crime victim compensation program as well as the SAFE program. Under the crime victim compensation program, DOJ generally makes awards to victims of crimes to provide compensation for costs relating to: (a) medical treatment; (b) lost wages; (c) crime scene clean-up; (d) replacement of property held for evidentiary purposes; (e) funeral and burial expenses; and (f) if the victim is a homemaker, securing homemaker services. Under the SAFE program, DOJ reimburses medical providers for the costs of examining victims of sex offenses in order to gather evidence. If a crime victim or medical provider wishes to contest the award, or lack thereof, made by DOJ under either program, the crime victim or medical provider may file a petition for a contested case hearing. [See "Justice."]

Joint Finance/Legislature: Delete provision.

4. PROVISION OF HEARINGS AND APPEALS AUDIO AND VIDEO RECORDINGS

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
PR	- \$12,200	\$12,200	\$0

Governor: Permit DOA's Division of Hearings and Appeals, when transmitting to a court a record of a hearings and appeals decision for review, to provide a copy of an audio or video recording instead of a transcript of the recording, unless the court requests a transcript. Reduce funding to DOA's hearings and appeals fees appropriation by \$6,100 annually associated with the estimated reduction in cost to provide records of decisions for court review. Under current law, the record must be typewritten or printed.

Joint Finance/Legislature: Delete provision as a non-fiscal policy item.

5. HISTORIC PRESERVATION APPEALS PROCESS AND FUNDING

Governor: Permit any state executive branch agency, political subdivision, or school board to appeal to DOA's Division of Hearings and Appeals any determination of the state historic preservation officer. Require the Division to assign a hearing examiner to preside over any hearing or review relating to such an appeal. Permit the administrator of the Division to set the fees to be charged for any services rendered to the Historical Society by a hearing examiner relating to an appeal. Specify that the fee must cover the total cost of the services less any costs covered by DOA's appropriation for hearings and appeals operations. Require the Historical Society to pay the costs assigned by the administrator of the hearings and appeals division. [See "Historical Society."]

Joint Finance/Legislature: Delete provision as a non-fiscal policy item.

Information Technology

1. INFORMATION TECHNOLOGY SECURITY AND DESKTOP MANAGEMENT EXPENDITURE AUTHORITY [LFB Paper 125]

PR	\$5,199,000
----	-------------

Governor/Legislature: Provide \$2,538,000 in 2015-16 and \$2,661,000 in 2016-17 to DOA's printing, mail, communication, and information technology services to state agencies and veterans services appropriation (renamed under the bill to include veterans services to consolidate two information technology appropriations). Funding to the appropriation is from assessments to state agencies for services provided by DOA. Expenditure authority would be

provided for supplies and services as follows: (a) managed security services contract (\$1.5 million in 2015-16 and \$1.7 million in 2016-17); (b) identity and access management (\$237,000 annually); (c) secure endpoint management (\$419,000 in 2015-16 and \$342,000 in 2016-17); (d) distributed denial of service prevention and mitigation (\$194,000 annually); and (e) security awareness training program (\$188,000 annually). The Budget in Brief indicates that the additional resources are intended to decrease the risk of a security breach.

2. INFORMATION TECHNOLOGY POSITIONS AND EQUIPMENT TRANSFER AUTHORITY [LFB Paper 126]

Governor: Provide DOA with the authority to, in consultation with an executive branch agency that has a Secretary serving at the pleasure of the Governor, transfer any full-time equivalent position that is related to the provision of information technology (IT) security or desktop management services from that agency to DOA. In addition, permit DOA to transfer any incumbent employee occupying the transferred position. Require DOA to assess "the appropriate executive branch agency appropriation account" for the costs to pay salary and fringe benefits associated with the position.

Specify that the probationary status of an incumbent employee transferred under the provision would be determined by DOA, except that the employee would receive credit towards any probationary period for the time that the employee had been employed in any unclassified position immediately prior to the appointment.

Permit the Department to transfer IT equipment or systems in addition to any transferred IT security or desktop management services positions, if the equipment or system is required by DOA to carry out IT security or desktop management services for the agency. Under the bill, the Department may assess the agency for the provision of such services to that agency.

Create a continuing PR appropriation for the receipt of assessments to agencies for the purpose of funding transferred positions, employees, and equipment related to IT security or desktop management services.

Joint Finance/Legislature: Delete provision.

3. SELF-FUNDED PORTAL APPROPRIATION INCREASE

PR	\$2,025,100
----	-------------

Governor/Legislature: Provide \$943,800 in 2015-16 and \$1,081,300 in 2016-17 to the state's self-funded web portal appropriation, associated with a projected increase in revenue from portal user fees as well as an expanded offering of web-based governmental services provided to the public. Expenditures from the appropriation include the cost for DOA to provide certain information technology services to the portal. Base funding for the self-funded portal is \$4,680,200 annually.

4. CONSOLIDATION OF TELECOMMUNICATIONS AND INFORMATION TECHNOLOGY SERVICES TO STATE AGENCIES APPROPRIATIONS [LFB Paper 127]

Governor/Legislature: Rename DOA's annual appropriation for printing, mail, communication, and information technology services to state agencies to consolidate the appropriation with DOA's annual telecommunications services to state agencies and veterans services appropriation. The renamed appropriation would remain an annual appropriation.

Transfer \$18,371,000 in 2015-16 and \$18,371,700 in 2016-17 and 7.1 positions annually to the consolidated appropriation for printing, mail, communication, and information technology services to state agencies and veterans services. Repeal the telecommunications services to state agencies and veterans services appropriation. Modify the consolidated appropriation language to incorporate the additional revenue sources and expenditure purposes of the repealed telecommunications appropriation.

[Act 55 Sections: 785, 791, and 9201(1)]

5. CONSOLIDATE TECHNOLOGY FOR EDUCATIONAL ACHIEVEMENT PROGRAM APPROPRIATIONS [LFB Paper 128]

Governor: Rename DOA's telecommunications access for school districts appropriation to the telecommunications access for educational agencies appropriation. Repeal and transfer segregated Universal Service Fund (USF) expenditure authority from the following appropriations to the renamed appropriation for educational agencies generally: (a) telecommunications access for private and technical colleges and libraries (\$5,016,000 annually); (b) telecommunications access for private schools (\$694,300 annually); (c) telecommunications access for state schools (\$82,500 annually); and (d) telecommunications access for juvenile correctional facilities (\$86,300 annually). Modify statutory language for the educational agencies appropriation to retain provisions of the current law technology for educational achievement (TEACH) program appropriations to be eliminated. Specify that on June 30 of each odd-numbered year, the unencumbered balance of the consolidated appropriation must be transferred to an appropriation created under the Public Service Commission to receive unexpended USF moneys for broadband expansion grants. [See "Public Service Commission."]

According to the Executive Budget Book, individual accounts would be maintained under the combined appropriation to maintain separate accounting for each category of educational agency for which a separate appropriation currently exists. The administration indicates that the intent of the provision is to ensure that appropriated TEACH program funding is fully expended for educational telecommunications access and that each educational agency type would be allocated funding that reflects amounts appropriated under current law.

Joint Finance/Legislature: Delete provision.

6. PERMIT ADDITIONAL DATA LINES OR VIDEO LINKS UNDER TECHNOLOGY FOR EDUCATIONAL ACHIEVEMENT PROGRAM APPROPRIATIONS [LFB Paper 128]

Governor/Legislature: Allow educational agencies to make a request to DOA under the technology for educational achievement (TEACH) program for access to more than one data line and more than one video link. Require DOA to develop criteria to use in evaluating whether to provide more than one data line and video link to an educational agency. Specify that the criteria must include an agency's current bandwidth, equipment, and readiness, as well as the available providers and any other economic development in the geographical area which the agency serves. According to the Budget in Brief, the provision is intended to assist rural schools in particular.

Under current law, an educational agency may only request either one data line or one video link through the TEACH program, which provides telecommunications access to educational agencies through discounted rates and subsidization of data line and video link installation. The administration indicates that the expanded number of data lines and video links would be funded using an existing balance in DOA's federal e-rate aid appropriation. Federal e-rate aid, which serves as an additional source of funding for educational telecommunications access, is used for TEACH program expenses when the segregated Universal Service Fund appropriations for each educational agency type have been completely expended.

[Act 55 Sections: 423 thru 427]

7. TELECOMMUNICATIONS SERVICES TO STATE AGENCIES EXPENDITURE AUTHORITY REDUCTION [LFB Paper 127]

PR	- \$16,000,000
----	----------------

Joint Finance/Legislature: Reduce funding for telecommunications services to state agencies by \$8.0 million annually associated with excess expenditure authority.

8. CHANGES TO APPROPRIATION FOR TELECOMMUNICATIONS ACCESS FOR SCHOOL DISTRICTS [LFB Paper 128]

SEG	- \$3,000,000
-----	---------------

Joint Finance/Legislature: Reduce expenditure authority for DOA's telecommunications access for school districts appropriation by \$2.0 million SEG in 2015-16 and \$1.0 million SEG in 2016-17 and provide equal amounts of expenditure authority from the segregated Universal Service Fund to a newly created appropriation under the Department of Public Instruction for state support for the digital learning collaborative established under ss. 115.28(53) and 115.28(54) of the statutes.

Rename the telecommunications access for school districts appropriation to the telecommunications access, infrastructure grants, and teacher training grants for school districts appropriation.

Allow DOA to provide competitive block grants to school districts from the telecommunications access, infrastructure grants, and teacher training grants for school districts appropriation for information technology infrastructure in 2015-16 and 2016-17 on the basis of an application which provides information regarding: (a) specific infrastructure, including equipment, that would be purchased by the district; (b) the plan for purchase, installation, and utilization of the infrastructure; and (c) the readiness of the school district to utilize the infrastructure. Specify that an applicant school district's membership in the previous school year divided by the school district's area in square miles must be 13 or less to receive grant funding under this provision. Further, specify that the maximum amount a school district may receive over the 2015-17 biennium for information technology infrastructure would be determined on the basis of membership as follows: \$30,000 for districts with fewer than 750 students; \$40 per student for districts with between 750 and 1,500 students; and \$60,000 for districts with more than 1,500 students. Specify that no more than \$7,500,000 SEG may be expended in each of 2015-16 or 2016-17 for this purpose. Specify that schools with a greater percentage of enrolled students who receive free or reduced price lunch be given priority in determining which districts receive grant funding. Sunset the grant program under this section after June 30, 2017.

Direct DOA to provide grants to consortia of three or more school districts that apply to receive funding for the cost of training teachers on the use of educational technology. Specify that funding provided to a consortium would be the sum of per-district funding amounts determined by the following formula: \$7,500 for districts with fewer than 750 students; \$10 per student for districts with between 750 and 1,500 students; and \$15,000 for districts with more than 1,500 students. Specify that each school district's membership in the previous school year divided by the school district's area in square miles must be 13 or less for a consortium to receive grant funding under this provision. Specify that no more than \$1,500,000 SEG annually may be expended for teacher training grants. Further, specify that DOA would prorate grants provided if the amount of grants as determined by the formula specified would exceed \$1,500,000.

[Act 55 Sections: 422d thru 422g, 561j, 800c, 800d, 3529c, 3532c thru 3532f, 9400, and 9401(1f)]

Division of Gaming

1. TRIBAL GAMING APPROPRIATIONS AND GENERAL FUND REVENUE [LFB Paper 130]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Veto (Chg. to Leg)	Net Change
GPR-Tribal	\$47,582,300	- \$1,318,500	\$200,000	\$46,463,800

Governor: Appropriate \$26,925,900 in 2015-16 and \$25,713,800 in 2016-17 in tribal

gaming revenue paid to the state under the tribal gaming compacts. The appropriations include: (a) allocations totaling \$24,727,900 in 2015-16 and \$23,517,800 in 2016-17 to various state agencies for programs unrelated to tribal gaming regulation or law enforcement; and (b) appropriations for the regulation of tribal gaming in DOA [\$2,053,400 in 2015-16 and \$2,051,200 in 2016-17], and tribal gaming law enforcement in the Department of Justice (DOJ) [\$144,600 in 2015-16 and \$144,800 in 2016-17].

Tribal revenue paid to the state is based on provisions under the current state-tribal gaming compacts. Under the compacts, tribes are scheduled to make payments to the state based on a percentage of net revenue (gross revenue minus winnings). The percentages used to calculate state payments vary by tribe and, in some cases, may vary by year for the same tribe.

Under current law, Indian gaming receipts are credited to: (a) the DOJ Indian gaming law enforcement appropriation; (b) the DOA general program operations appropriation relating to Indian gaming regulation; and (c) a DOA appropriation for Indian gaming receipts in the amount necessary to make all the transfers specified under the appropriation to other state programs. Indian gaming receipts not otherwise credited to, or expended from, these appropriation accounts are deposited in the general fund.

The calculation for the general fund tribal revenue under the bill as introduced is summarized in the following table:

**2015-17 Tribal Gaming General Fund Revenue
Governor**

	<u>2015-16</u>	<u>2016-17</u>
Estimated Tribal Payments	\$49,337,400	\$48,782,600
Regulatory Payments	350,000	350,000
Vendor Certification Revenue	149,700	149,700
Unobligated Funds Reversions	<u>551,000</u>	<u>551,000</u>
Total Revenue	\$50,388,100	\$49,833,300
 Program Allocations to State Agencies	 <u>26,925,600</u>	 <u>25,713,500</u>
Tribal Gaming General Fund Revenue	\$23,462,500	\$24,119,800

As noted, allocations to state agencies, including allocations to DOA and DOJ for regulation and law enforcement, total \$26,925,900 in 2015-16 and \$25,713,800 in 2016-17 under the bill. [It should be noted that the program allocations to state agencies displayed in the table above are \$300 lower each year than the sum of the allocations provided by the Governor. Under the bill, the appropriation for law enforcement services at the Kickapoo Valley Reserve is transferred from the Department of Tourism to the Department of Natural Resources. Standard budget adjustments totaling -\$300 annually were provided for the appropriation under the Department of Tourism, but were not ultimately applied to the appropriation under the Department of Natural Resources, which accounts for the difference. The administration indicates that an errata will be submitted to include the standard budget adjustments.]

Under the bill, the Governor recommends the appropriation of tribal gaming revenue to 15

state agencies, in 44 program areas, including the DOA regulation and DOJ enforcement appropriations. Each of these program areas is listed and briefly described in the following table. Where there is a net fiscal change associated with any of these appropriations (other than standard budget adjustments), it is included under the budget summaries of the affected agency.

Of these allocations, all are to appropriation accounts authorized under current law [item #5 and item #7 in the table below currently exist as a single Department of Corrections appropriation of \$75,000 annually, which would be transferred under the bill in two phases to a renamed appropriation for the same purpose under the Department of Children and Families; and item #31 in the table below is currently an appropriation under the Department of Tourism, as noted previously, which the Governor recommends be transferred to the Department of Natural Resources]. Of the 44 program allocations, 29 are identical amounts to those provided in the 2013-15 biennium. Of the 15 allocations that changed, nine were affected by standard budget adjustments or adjustments to the base only [identified in the table below as items #19, 22, 26, 27, 29, 30, 31, 42, and 46]. The remaining six are: (a) Administration UW-Green Bay and Oneida Tribe programs assistance grants [item #2, reduction of \$247,500 in 2016-17 due to the creation of the UW System Authority]; (b) Tourism general tourism marketing [item #35, reduction of \$475,000 annually to eliminate required transfers of specific amounts to specific organizations]; (c) Ashland full-scale aquaculture demonstration facility debt service payments [item #38, a reduction of \$6,400 in 2015-16 and \$62,900 in 2016-17 for debt service payment reestimates]; (d) Ashland full-scale aquaculture demonstration facility operational costs [item #39, a reduction of \$417,500 in 2016-17 due to the creation of the UW System Authority]; (e) University of Wisconsin-Madison physician and health care provider loan assistance [item #40, a reduction of \$488,700 in 2016-17 due to the creation of the UW System Authority]; and (f) Administration Indian gaming operations [item #45, increases of \$43,500 in 2015-16 and \$46,300 in 2016-17 for standard budget adjustments and increases of \$33,900 in 2015-16 and \$28,900 in 2016-17 for a reestimate of the cost to operate and maintain the gaming integrated regulatory information system]. One program area identified in the table [item #33] is not appropriated funding in the 2015-17 biennium, but is an existing appropriation account under current law that can only be funded with tribal gaming revenue.

2015-17 Tribal Gaming Revenue Appropriations Governor

<u>Agency</u>	<u>Program Revenue</u>		<u>Purpose</u>
	<u>2015-16</u>	<u>2016-17</u>	
1 Administration	\$563,200	\$563,200	County management assistance grant program.
2 Administration	247,500	0	UW-Green Bay and Oneida Tribe programs assistance grants.
3 Administration	79,500	79,500	Tribal governmental services and technical assistance.
4 Children and Families	395,000	395,000	Indian child high-cost out-of-home care placements.
5 Children and Families	37,500	75,000	Interagency and intra-agency aids for tribal delinquency placements.

<u>Agency</u>	<u>Program Revenue</u>		<u>Purpose</u>
	<u>2013-14</u>	<u>2014-15</u>	
6 Corrections	50,000	50,000	American Indian tribal community reintegration program.
7 Corrections	37,500	0	Indian juvenile out-of-home care placements.
8 Health Services	445,500	445,500	Elderly nutrition; home-delivered and congregate meals.
9 Health Services	106,900	106,900	American Indian health projects.
10 Health Services	242,000	242,000	Indian aids for social and mental hygiene services.
11 Health Services	445,500	445,500	Indian substance abuse prevention education.
12 Health Services	961,700	961,700	Medical assistance matching funds for tribal outreach positions and federally qualified health centers (FQHC).
13 Health Services	712,800	712,800	Health services: tribal medical relief block grants.
14 Health Services	133,600	133,600	Minority health program and public information campaign grants.
15 Health Services	22,500	22,500	American Indian diabetes and control.
16 Health Services	250,000	250,000	Reimbursements for high-cost mental health placements by tribal courts.
17 Higher Educational Aids Board	779,700	779,700	Indian student assistance grant program for American Indian undergraduate or graduate students.
18 Higher Educational Aids Board	454,200	454,200	Wisconsin Higher Education Grant (WHEG) program for tribal college students.
19 Historical Society	236,600	236,600	Northern Great Lakes Center operations funding.
20 Historical Society	210,300	210,300	Collection preservation storage facility.
21 Justice	631,200	631,200	County-tribal law enforcement programs: local assistance.
22 Justice	84,800	84,900	County-tribal law enforcement programs: state operations.
23 Justice	490,000	490,000	County law enforcement grant program.
24 Justice	695,000	695,000	Tribal law enforcement grant program.
25 Natural Resources	3,000,000	3,000,000	Transfer to the fish and wildlife account of the conservation fund.
26 Natural Resources	93,000	93,000	Management of an elk reintroduction program.
27 Natural Resources	154,700	154,700	Management of state fishery resources in off-reservation areas where tribes have treaty-based rights to fish.
28 Natural Resources	84,500	84,500	Payment to the Lac du Flambeau Band relating to certain fishing and sports licenses.
29 Natural Resources	1,156,600	1,156,600	State snowmobile enforcement program, safety training and fatality reporting.
30 Natural Resources	78,200	78,200	Reintroduction of whooping cranes.

<u>Agency</u>	<u>Program Revenue</u>		<u>Purpose</u>
	<u>2015-16</u>	<u>2016-17</u>	
31 Natural Resources	66,600	66,600	Law enforcement services at the Kickapoo Valley Reserve.
32 Public Instruction	222,800	222,800	Tribal language revitalization grants.
33 Shared Revenue	0	0	Farmland tax relief credit payments by tribes with casinos associated with certain pari-mutuel racetracks. (No allocations are made in the 2015-17 biennium.)
34 Tourism	160,000	160,000	Grants to local organizations and governments to operate regional tourist information centers.
35 Tourism	8,492,100	8,492,100	General tourism marketing.
36 Tourism	24,900	24,900	State aid for the arts.
37 Transportation	247,500	247,500	Elderly transportation grants.
38 University of Wisconsin System (Building Commission)	256,700	200,200	Ashland full-scale aquaculture demonstration facility debt service payments.
39 University of Wisconsin System	417,500	0	Ashland full-scale aquaculture demonstration facility operational costs.
40 University of Wisconsin-Madison	488,700	0	Physician and health care provider loan assistance.
41 Veterans Affairs	466,200	466,200	Grants to assist American Indians in obtaining federal and state veterans benefits and to reimburse veterans for the cost of tuition at tribal colleges.
42 Veterans Affairs	96,500	96,500	American Indian services veterans benefits coordinator position.
43 Wisconsin Technical College System Board	594,000	594,000	Grants for work-based learning programs.
44 Workforce Development	<u>314,900</u>	<u>314,900</u>	Vocational rehabilitation services for Native American individuals and American Indian tribes or bands.
Subtotal (Non-Regulatory Items)	\$24,727,900	\$23,517,800	
45 Administration	2,053,400	2,051,200	General program operations for Indian gaming regulation under the compacts.
46 Justice	<u>144,600</u>	<u>144,800</u>	Investigative services for Indian gaming law enforcement.
Subtotal (Regulation/Enforcement)	\$2,198,000	\$2,196,000	
Total Appropriations	\$26,925,900	\$25,713,800	

Joint Finance/Legislature: Reestimate net tribal gaming revenue available for deposit to the general fund by -\$184,100 in 2015-16 and -\$1,134,400 in 2016-17 associated with the following changes shown in the table below: (a) estimated tribal gaming payments to the state (increases of \$571,100 in 2015-16 and \$848,800 in 2016-17); (b) vendor certification revenue (decrease of \$9,100 annually); (c) unobligated funds reversions (decrease of \$82,900 annually);

(d) program allocations to state agencies (increases of \$575,000 in 2015-16 and \$1,728,700 in 2016-17 relative to the allocations used in calculating GPR-Tribal revenue under the bill); and
(e) program reserves (increase of \$88,200 in 2015-16 and \$162,500 in 2016-17).

2015-17 Tribal Gaming General Fund Revenue
Joint Finance/Legislature

	<u>2015-16</u>	<u>2016-17</u>
Estimated Tribal Payments	\$49,908,500	\$49,631,400
Regulatory Payments	350,000	350,000
Vendor Certification Revenue	140,600	140,600
Unobligated Funds Reversions	<u>468,100</u>	<u>468,100</u>
Total Revenue	\$50,867,200	\$50,590,100
Program Allocations to State Agencies	\$27,500,600	\$27,442,200
Program Reserves	<u>88,200</u>	<u>162,500</u>
Total Expenditures	\$27,588,800	\$27,604,700
Tribal Gaming General Fund Revenue	\$23,278,400	\$22,985,400

Several changes were made to allocations recommended by the Governor, and are shown in the list of allocations that follows: (a) restored funding of \$1,153,900 to three allocations associated with the University of Wisconsin System and campuses that would have been eliminated in 2016-17 under the creation of the public authority (Item #2, \$247,500 for UW-Green Bay and Oneida Tribe programs assistance grants; Item #40, \$417,500 for the aquaculture demonstration facility; and Item #41, \$488,700 for physician and health care provider loan assistance); (b) restored \$475,000 annually to Tourism for general marketing and delayed the elimination of specific earmarks under the appropriation to July 1, 2017 (Item #36); (c) provided an additional \$100,000 annually for the aquaculture demonstration facility (Item #40, later vetoed by the Governor, and therefore not included in the table of Act 55 allocations); (d) provided \$405,000 annually to a newly created appropriation under the Higher Educational Aids Board for payments to tribal colleges (Item #19); (e) established the Kickapoo Valley Reserve Management Board as a separately budgeted agency to which \$66,300 annually, including a -\$300 standard budget adjustment that had not been included under the Governor's recommended allocations, would be provided from tribal gaming revenue for law enforcement services (Item #26, an allocation that exists under Tourism under current law); and (f) reduced funding under Veterans Affairs by \$405,000 annually associated with tuition reimbursement for veterans at tribal colleges. [See entries under each agency section relating to agency-specific decisions.]

Veto by Governor [B-25]: Delete the additional \$100,000 annually provided for the aquaculture demonstration facility (Item #40).

[Act 55 Section: 479]

2015-17 Tribal Gaming General Fund Revenue
2015 Act 55

	<u>2015-16</u>	<u>2016-17</u>
Estimated Tribal Payments	\$49,908,500	\$49,631,400
Regulatory Payments	350,000	350,000
Vendor Certification Revenue	140,600	140,600
Unobligated Funds Reversions	<u>468,100</u>	<u>468,100</u>
Total Revenue	\$50,867,200	\$50,590,100
 Program Allocations to State Agencies	 \$27,400,600	 \$27,342,200
Program Reserves	<u>88,200</u>	<u>162,500</u>
Total Expenditures	\$27,488,800	\$27,504,700
 Tribal Gaming General Fund Revenue	 \$23,378,400	 \$23,085,400

2015-17 Tribal Gaming Revenue Appropriations
2015 Act 55

<u>Agency</u>	<u>Program Revenue</u>		<u>Purpose</u>
	<u>2015-16</u>	<u>2016-17</u>	
1 Administration	\$563,200	\$563,200	County management assistance grant program.
2 Administration	247,500	247,500	UW-Green Bay and Oneida Tribe programs assistance grants.
3 Administration	79,500	79,500	Tribal governmental services and technical assistance.
4 Children and Families	395,000	395,000	Indian child high-cost out-of-home care placements.
5 Children and Families	37,500	75,000	Interagency and intra-agency aids for tribal delinquency placements.
6 Corrections	50,000	50,000	American Indian tribal community reintegration program.
7 Corrections	37,500	0	Indian juvenile out-of-home care placements.
8 Health Services	445,500	445,500	Elderly nutrition; home-delivered and congregate meals.
9 Health Services	106,900	106,900	American Indian health projects.
10 Health Services	242,000	242,000	Indian aids for social and mental hygiene services.
11 Health Services	445,500	445,500	Indian substance abuse prevention education.
12 Health Services	961,700	961,700	Medical assistance matching funds for tribal outreach positions and federally qualified health centers (FQHC).
13 Health Services	712,800	712,800	Health services: tribal medical relief block grants.
14 Health Services	133,600	133,600	Minority health program and public information campaign grants.

<u>Agency</u>	<u>Program Revenue</u>		<u>Purpose</u>
	<u>2015-16</u>	<u>2016-17</u>	
15 Health Services	22,500	22,500	American Indian diabetes and control.
16 Health Services	250,000	250,000	Reimbursements for high-cost mental health placements by tribal courts.
17 Higher Educational Aids Board	779,700	779,700	Indian student assistance grant program for American Indian undergraduate or graduate students.
18 Higher Educational Aids Board	454,200	454,200	Wisconsin Higher Education Grant (WHEG) program for tribal college students.
19 Higher Educational Aids Board	405,000	405,000	Tribal college payments.
20 Historical Society	236,600	236,600	Northern Great Lakes Center operations funding.
21 Historical Society	210,300	210,300	Collection preservation storage facility.
22 Justice	631,200	631,200	County-tribal law enforcement programs: local assistance.
23 Justice	84,800	84,900	County-tribal law enforcement programs: state operations.
24 Justice	490,000	490,000	County law enforcement grant program.
25 Justice	695,000	695,000	Tribal law enforcement grant program.
26 Kickapoo Valley Reserve Management Board	66,300	66,300	Law enforcement services at the Kickapoo Valley Reserve.
27 Natural Resources	3,000,000	3,000,000	Transfer to the fish and wildlife account of the conservation fund.
28 Natural Resources	93,000	93,000	Management of an elk reintroduction program.
29 Natural Resources	154,700	154,700	Management of state fishery resources in off-reservation areas where tribes have treaty-based rights to fish.
30 Natural Resources	84,500	84,500	Payment to the Lac du Flambeau Band relating to certain fishing and sports licenses.
31 Natural Resources	1,156,600	1,156,600	State snowmobile enforcement program, safety training and fatality reporting.
32 Natural Resources	78,200	78,200	Reintroduction of whooping cranes.
33 Public Instruction	222,800	222,800	Tribal language revitalization grants.
34 Shared Revenue	0	0	Farmland tax relief credit payments by tribes with casinos associated with certain pari-mutuel racetracks. (No allocations are made in the 2015-17 biennium.)
35 Tourism	160,000	160,000	Grants to local organizations and governments to operate regional tourist information centers.
36 Tourism	8,967,100	8,967,100	General tourism marketing (including specific earmarks which would sunset July 1, 2017).
37 Tourism	24,900	24,900	State aid for the arts.
38 Transportation	247,500	247,500	Elderly transportation grants.
39 University of Wisconsin System (Building Commission)	256,700	200,200	Ashland full-scale aquaculture demonstration facility debt service payments.

<u>Agency</u>	<u>Program Revenue</u>		<u>Purpose</u>
	<u>2015-16</u>	<u>2016-17</u>	
40 University of Wisconsin System	417,500	417,500	Ashland full-scale aquaculture demonstration facility operational costs.
41 University of Wisconsin-Madison	488,700	488,700	Physician and health care provider loan assistance.
42 Veterans Affairs	61,200	61,200	Grants to assist American Indians in obtaining federal and state veterans benefits.
43 Veterans Affairs	96,500	96,500	American Indian services veterans benefits coordinator position.
44 Wisconsin Technical College System Board	594,000	594,000	Grants for work-based learning programs.
45 Workforce Development	<u>314,900</u>	<u>314,900</u>	Vocational rehabilitation services for Native American individuals and American Indian tribes or bands.
Subtotal (Non-Regulatory Items)	\$25,202,600	\$25,146,200	
46 Administration	2,053,400	2,051,200	General program operations for Indian gaming regulation under the compacts.
47 Justice	<u>144,600</u>	<u>144,800</u>	Investigative services for Indian gaming law enforcement.
Subtotal (Regulation/Enforcement)	\$2,198,000	\$2,196,000	
Total Appropriations	\$27,400,600	\$27,342,200	

2. GAMING INFORMATION SYSTEM REESTIMATE

PR	\$62,800
----	----------

Governor/Legislature: Provide \$33,900 in 2015-16 and \$28,900 in 2016-17 to reestimate the cost to operate and maintain the gaming integrated regulatory information system to improve casino compliance with inventory reporting requirements. According to DOA, the cost to operate and maintain the gaming system, which has base funding of \$25,000, is higher than had been anticipated when expenditure authority was provided in the 2013-15 biennial budget. Funding would be provided to DOA's Indian gaming general program operations appropriation as supplies and services for ongoing maintenance of hardware and database software, and to host the gaming system and stored confidential data on a secure server.

3. PROGRESSIVE RAFFLES

Joint Finance/Legislature: Permit an organization with a Class B raffle license to conduct a progressive raffle, defined as a raffle in which a series of drawings is held and in which the money collected in ticket sales, from which a prize is awarded, is carried over to the succeeding drawing if the drawing winner does not select a prize card from among a set of cards.

Specify that a drawing winner would select from a set of cards each enclosed in separate envelopes, one of which is designated as a prize card. In addition, specify that: (a) if a prize card is not selected, tickets would be sold for a new drawing, in which tickets sold for a previous

drawing would be ineligible; and (b) if a drawing winner selects the prize card, the player wins a prize consisting of 50% of the total amount of money collected in ticket sales for all drawings in the raffle. Further, specify that the organization conducting the raffle would keep the remaining 50% of ticket sales and that no drawings would be held after a drawing winner selected the prize card.

Require an organization conducting a progressive raffle to: (a) establish the price of a ticket for a drawing in the raffle before tickets for the first drawing are sold and sell all tickets for all drawings in the raffle for the same price; (b) during the raffle, keep all unselected cards in a locked container to which only the officers of the organization have access; and (c) display all cards selected by previous drawing winners before selling tickets for a drawing.

Under state statute, DOA may issue a Class A license for the conduct of a raffle in which some or all of the tickets for that raffle are sold on days other than the day that the drawing occurs and in which equal shares of a single ticket may be sold to one or more purchasers. The Department may issue a Class B license for the conduct of a raffle in which all of the tickets for that raffle are sold on the day that the drawing occurs or within the 24 hours immediately preceding the start of the drawing.

Veto by Governor [C-53]: Delete provision.

[Act 55 Vetoed Sections: 4546m thru 4546t]